
THE SUPPLY SIDE OF ESAs

How universal school choice programs have affected the number of private schools and home education vendors

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ABOUT EDCHOICE

EdChoice is a 501(c)(3) nonprofit, nonpartisan organization. Our mission is to advance educational freedom and choice for all as a pathway to successful lives and a stronger society. We are committed to understanding and pursuing a K-12 education ecosystem that empowers every family to choose the learning environment that fits their children's needs best. EdChoice is the intellectual legacy of Milton and Rose D. Friedman, who founded the organization in 1996 as the Friedman Foundation for Educational Choice.

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EXECUTIVE SUMMARY

- The number of private schools in the U.S. has been flat or slightly declining in the last few decades. However, in states that broadly offer families scholarships or vouchers for private school tuition, the number of private schools has gone up.
- Some states offer parents scholarships or vouchers for private school tuition, and about half of the participating (or eligible) schools are religious. The remaining schools are a mix of independent private schools, Montessori schools, online schools, microschools, and schools for students with special needs.
- One state stands out for the variety of its providers. Parents in Arizona's Empowerment Scholarship Program (ESA) used 100 more "schools" beyond the typical K-12 private school in a recent school year. These providers included online schools, postsecondary institutions, and microschools – broadening the definition and supply of schools.
- The number of vendors across all categories in Arizona's ESA program increased from the first year that the program became universally available (2022-23) to the second (2023-24) year. The largest percentage increase was for providers of extracurricular physical education, such as martial arts studios.

INTRODUCTION

The traditional public education system has been the dominant force in K-12 education for more than a century, and 80% of students are educated in a public school.¹ In a noteworthy change, choice within this system has steadily grown. In 1999, some 74% of parents in the nation sent their child to their assigned public school and 14% accessed public school of their choice.² By 2024, just 61% of parents sent their child to their assigned public school, according to 2024 EdChoice Share, while 12% chose a traditional public school other than their assigned one. Another 7% of parents opted for a public charter school, 5% selected a public magnet school, and 1% chose a public virtual school.³ In 2024,

nearly one in five students was educated outside the public system: 14% of students were in private schools and 5% were homeschooled. There was once a universal perception (and reality) that nearly all children attend their assigned neighborhood school. If recent trends continue, it is likely that within a short time, fewer than half of them will.

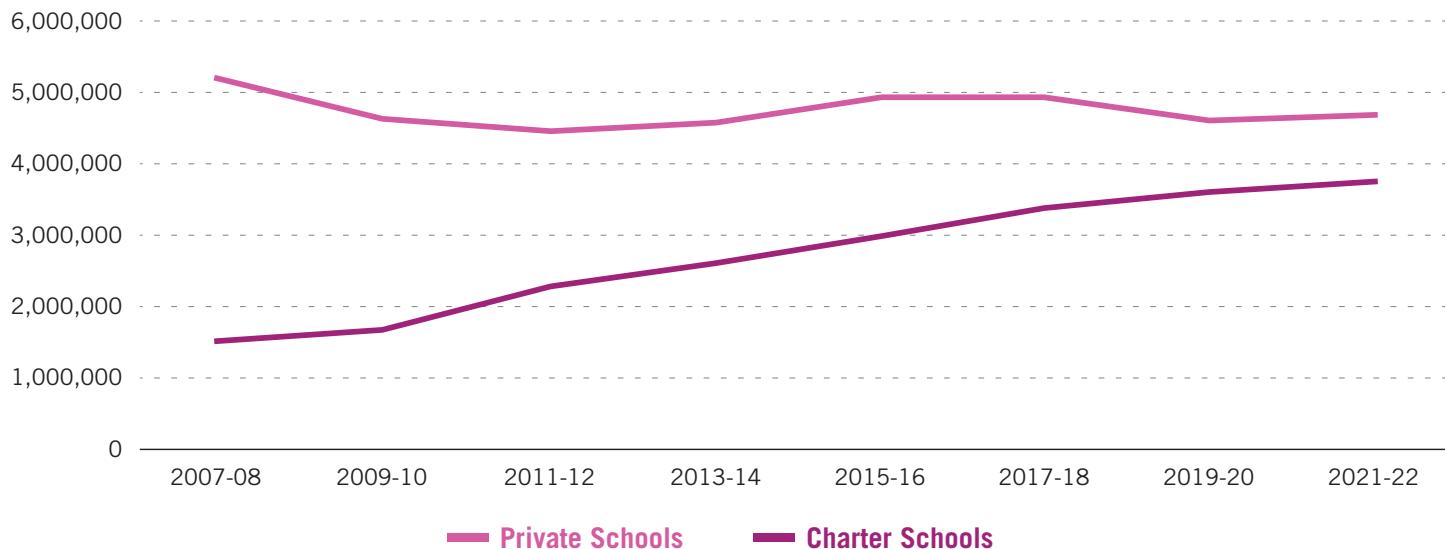
While more parents exercise some form of choice over where their child attends school, cost remains a major factor that favors the public school system. When asked in a nationally representative survey, less than half of parents said that a public school was their number one choice for their child's education.⁴ Only 39% chose a traditional public school, and 9% chose a public charter school. The share of parents who said that a private school was their number one choice was four times the share of parents who actually used one (36% versus 9%). While 5% of parents chose homeschooling, almost twice that amount (9%) said they would do so if they could. It seems that the requirement to pay hinders some families from exercising their preferred option.

One sign that the cost of private school hinders parents is the growth of charter schools over the past 25 years. Independent boards operate these schools under a charter granted for a limited number of years. Students are not assigned to charter schools; rather, they must choose to enroll. As public entities, charter schools are free of charge. In many urban districts, charter schools have become a lifeline for parents who could not afford private schools but wanted something other than what the local district offered. Since 2007, the number of students in public charter schools has increased by 2.5 million, while the number of students in private schools has declined slightly (Figure 1).⁵

It's likely that charter schools picked up families that were desperate to escape failing urban public school systems and struggling to pay private school tuition. Since 2000, more than 1,900 Catholic schools have closed nationwide, while 4,500 charter schools, including more than 3,000 in urban areas, have opened.⁶ A Boston College study found a 1.6% higher chance of a Catholic school closing in the year after a charter school opens.⁷ This likelihood increases in subsequent years. Charter schools are not the only challenge Catholic schools face. Still, there is a strong demand for free alternatives to assigned public schools, and charters are expanding to meet it.

FIGURE 1**Enrollment in public charter schools and private schools: 2007-08 through 2021-22**

Charter school enrollment has grown substantially in the last 15 years.



Source: U.S. Department of Education, National Center for Education Statistics (NCES), Common Core of Data Non-fiscal Survey, 2007-08 through 2020-21 and Private School Survey (PSS) 2007-08 through 2021-22.

Cost is not the only factor restricting parents' use of private schools and home education. A lack of supply is another constraint. Recently, dozens of states subsidized private and homeschooling through what are commonly known as "school choice" programs. Even though parents strongly support these programs, some officials use a lack of private schools as an argument against them.⁸ Many rural legislators refuse to support school choice, saying their constituents lack access to private schools or local homeschooling resources. Small towns and rural areas lose out in these programs, legislators say, because they only end up serving metropolitan areas with existing private schools.

It's clear that the demand (and supply) of private schooling has been flat, if not declining, for decades.⁹ However, families in 35 states, plus Washington, D.C., and Puerto Rico, can receive a public subsidy, such as a voucher or scholarship account, to access private and homeschooling.¹⁰ In 18 states, these public dollars are available to all, or nearly all, children, though only four states offer families sufficient funds to choose from a range of options.¹¹ The remaining states limit eligibility, funding, or both. Many of these programs are still in their early days, so public funds may yet bring more suppliers into the market.

This analysis will focus on if and how increased demand for private schooling and homeschooling, supported by public subsidies, has changed the number and types of private schools and homeschool vendors. The first part will focus on private schools. It will compare states that have more publicly funded private school choice programs to those with fewer programs, looking at enrollment trends in both. It will focus on states with universal scholarship programs, often referred to as education savings accounts (ESAs). With an ESA, parents can either choose a private school or craft a home education for their children by using a marketplace to find education vendors that provide curricula, extracurricular activities, field trips, educational therapies and other items. Anyone who wants to think about how to create new ESA programs or expand existing ones can draw on this review of recent developments.

PRIVATE SCHOOL CHOICE AND THE SUPPLY OF PRIVATE SCHOOLS

Economic theory and everyday experience suggest that people will buy more of a good or service if a government subsidy will lower the price they pay.¹² When families can use public funds from a school choice program, the price private schools receive doesn't (or shouldn't) change.¹³ But will the number of schools increase as more families can afford to seek a private school education?

According to the National Center for Education Statistics (NCES) Private School Survey (PSS), there were about 30,000 private schools in the U.S. in 2020-21, and the average tuition was about \$13,000.¹⁴ The survey breaks out private schools into five categories, based on their tuition: less than \$3,500, \$3,500-\$5,999, \$6,000-\$9,999, \$10,000-\$14,999, and \$15,000 or more. Presumably, all 4.4 million private school students were willing to pay at least \$1,120 (the average of the first category), but only 1.1 million were willing to pay the average amount of the highest category (see Figure 3). Similarly, all 24,100 private schools charged at least the lowest category, while just 4,600 are in the highest category (see Figure 2).

It's hard to know what would happen to tuition if most states enacted universal school choice programs. Today's programs are new and have relatively small enrollment compared to the number of school-age children. The oldest non-universal program began about 35 years ago when advocates for disadvantaged children convinced Wisconsin legislators to let small groups of these students attend private schools with public dollars.¹⁵ These dollars were available to low-income students, students with special needs, and students stuck in failing schools in Milwaukee. The Milwaukee Parental Choice Program began in 1990 with just seven private schools and 300 scholarship recipients, who received about \$2,500 each.¹⁶ By the 2024-25 school year, the program included 136 private schools serving over 29,700 students, with each student receiving approximately \$8,000 to spend on private school tuition.¹⁷ Wisconsin also has the Racine Parental Choice Program and the Wisconsin Parental Choice Program for parents outside of Milwaukee and Racine. It also has the Special Needs

Scholarship Program. These programs served nearly 100,000 Wisconsin students in more than 500 private schools in 2024-25.¹⁸

Nationally, 76 private school choice programs exist in 35 states, Washington, D.C., and Puerto Rico.¹⁹ Not all programs report on the number of participating private schools, although most report on the number of eligible schools. At least 6,200 schools (see Table 1), or roughly 5% of private schools in the U.S., take part in one of these programs or are eligible. The actual number is likely much higher.²⁰ Private schools are not obligated to report to the U.S. Department of Education in the same way that public schools are. The National Center for Education Statistics encourages schools to participate in its private school survey, but it does not require them to do so. Another reason the count may be higher than we know now is that these programs are new, and we're just learning about student and school participation. Finally, it usually takes at least a couple of years for researchers to collect data on education.

In the last several years, 18 states have enacted school choice programs that are open to most families, who can choose a public, private, or sometimes, a homeschool option. These states are Alabama, Alaska, Arizona, Arkansas, Florida, Idaho, Indiana, Iowa, Louisiana, Montana, North Carolina, Ohio, Oklahoma, Utah, Tennessee, Texas, West Virginia, and Wyoming

It's difficult to know how much, if at all, these programs lead to more private schools. In the ten years from 2011 to 2021, the nation's supply of private schools fell from 30,000-32,000 schools to 29,800-29,400 schools. So it lost least 400 schools and up to 1,000 schools.²¹ This is not surprising given that private school enrollment fell from a steady 6 million students between 1995 and 2007 to fewer than 5.5 million in 2021.²²

The number of private schools in the pioneering states of educational choice — Arizona, Florida, Ohio and Wisconsin — increased between 2011 and 2021. Arizona had between 332 and 351 private schools in 2011. A 2021 estimate put the number between 314 and 502. Every estimate comes with the possibility of an error, and the standard error for the 2021 Arizona estimate is large, which explains why there's a possibility that the actual

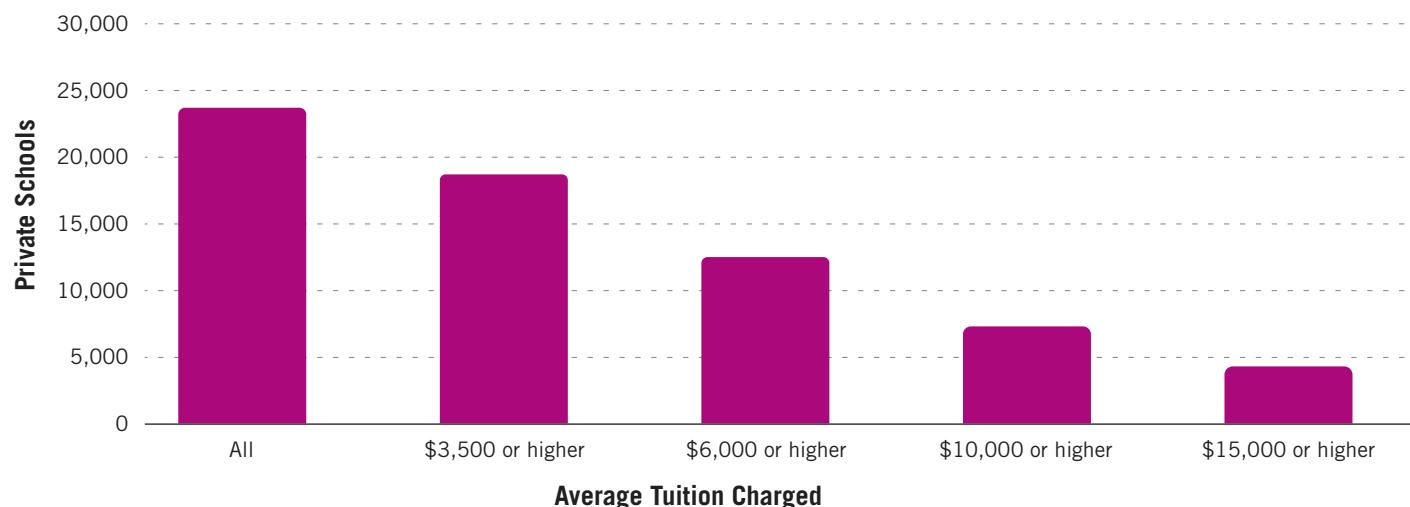
number of private schools may have gone down. But the state reported that 400 private schools participated in their school choice program in 2022, so this is not likely. The national private school survey estimated that Florida had between 1,875 and 1,884 private schools in 2011 and between 2,546 and 2,737 private schools in 2021. Ohio had an estimated 852 to 1,084 private schools

in 2011, with 1,310 to 1,400 in 2021. Finally, Wisconsin was estimated to have added between six and 78 private schools in that 10-year period. Only seven other states showed growth in the number of private schools, while 17 appear to have lower numbers. California lost at least 300 private schools, according to estimates, while New York lost at least 200.

FIGURE 2

The number of private schools at various tuition levels: 2020-21

Only about one-fifth of private schools charge more than \$15,000 in tuition.



Source: U.S. Department of Education, National Center for Education Statistics (NCES), Private School Survey, 2020-21.

FIGURE 3

Enrollment in private schools at various tuition levels: 2020-21

Most private school families are willing to pay at least \$3,500 in tuition.



Source: U.S. Department of Education, National Center for Education Statistics (NCES), Private School Survey, 2020-21.

TABLE 1
Number of private schools participating in publicly funded private school choice programs: most recent year available

Nearly one in five private schools in the US accepts or is eligible to accept publicly funded scholarship students.

State	School choice program	Number of private schools participating or eligible to participate	School year
Alabama	Education Scholarship Program	126	2020-21
	CHOOSE Act	N/A	
Arizona	Switcher Individual Income Tax Credit Scholarship	346	2023-24
	Empower Scholarships Account	404	2022-23
	Lexie's Law for Disabled and Displaced Students Tax Credit Scholarship	137	2023-24
	Low-income Corporate Income Tax Credit Scholarship	291	2023-24
	Individual Income Tax Credit Scholarship	350	2023-24
Arkansas	Philanthropic Investment in Arkansas Kids Scholarship	N/A	
	Arkansas Children's Educational Freedom Account	N/A	
Florida	Family Empowerment Scholarship for Educational Options	1960	2021-22
	Hope Scholarship Program	1425	2023-24
	Family Empowerment Scholarship for Students with Unique Abilities	1972	2021-22
	Florida Tax Credit Scholarship	1990	2021-22
Georgia	Qualified Education Expense Tax Credit	N/A	
	Georgia Special Needs Scholarship	273	2021-22
	The Georgia Promise Scholarship	N/A	
Illinois	Tax Credits for Educational Expenses	N/A	
Indiana	Education Scholarship Account	N/A	
	Private School/Homeschool deduction	N/A	
	Choice Scholarship	357	2023-24
	School Scholarship Tax Credit	381	2022-23
Iowa	Education Savings Account	215	eligible
	School Tuition Organization Tax Credit	143	2021-22
	Tuition and Textbook Tax Credit		
Kansas	Tax Credits for Low-Income Students Scholarship	88	2022-23
Louisiana	Tuition Donation Credit	191	2021-22
	School Choice Program for Certain Students with Exceptionalities	21	2022-23
	Elementary and Secondary School Tuition Deduction		
	Student Scholarships for Educational and Excellence	131	2022-23
	Louisiana Giving All True Opportunity to Rise Scholarship		
Maine	Town Tuitioning Program	31	2023-24
Maryland	Broadening Options and Opportunities for Students Today	154	2022-23
Minnesota	K-12 Education Credit	N/A	
	Education Deduction	N/A	
Mississippi	Equal Opportunity for Students with Special Needs	104	2023-24
	Nate Rogers Scholarship for Students with Disabilities	1	2022
	Mississippi Dyslexia Therapy Scholarship for Students with Dyslexia	5	2023-24
Missouri	Missouri Empowerment Scholarship Accounts	N/A	
Montana	Montana Special Needs Equal Opportunity Education Savings Account	N/A	launched 2023
	Tax Credits for Contributions to Student Scholarship Organizations	N/A	

Source: EdChoice, School Choice in America, <https://www.edchoice.org/school-choice-in-america-dashboard-scia/>.

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most recent year available**

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State	School choice program	Number of private schools participating or eligible to participate	School year
Nebraska	Nebraska Education Scholarships	N/A	
Nevada	Nevada Educational Choice Scholarship	N/A	
New Hampshire	Education Freedom Account	N/A	
	Town Tuitioning Program	80	2021
	Education Tax Credit	68	2023-24
North Carolina	Education Student Accounts	N/A	
	Opportunity Scholarships	544	2022-23
Ohio	Ohio Tax-Credit Scholarship	N/A	
	K-12 Nonchartered Private School Tax Credit	N/A	
	K-12 Home Education Tax Credit	N/A	
	Income-based Scholarship	511	2021-22
	Jon Peterson Special Needs Scholarship	428	2021-22
	Educational Choice Scholarship	462	2022-23
	Autism Scholarship	279	2021-22
	Cleveland Scholarship	58	2021-22
Oklahoma	Oklahoma Parental Choice Tax Credit	N/A	
	Oklahoma Equal Opportunity Education Scholarships	106	2020-21
	Lindsey Nicole Henry Scholarships for Students with Disabilities	77	2022-23
Pennsylvania	Opportunity Scholarship Tax Credit	N/A	
	Educational Improvement Tax Credit	N/A	
Puerto Rico	Free School Selection	65	2019-20
Rhode Island	Tax Credits for Contributions to Scholarships Organizations	51	2022
South Carolina	South Carolina Education Scholarship Trust Fund	N/A	launched 2024
	Refundable Educational Credit for Exceptional Needs Children	N/A	
	Education Credit for Exceptional Needs Children Fund	102	2021-22
South Dakota	Partners in Education Tax Credit	45	2022-23
Tennessee	Education Savings Account	N/A	
	Individualized Education Account	29	2022-23
Utah	Utah Fits All Scholarship	N/A	
	Special Needs Opportunity Scholarship	N/A	
	Carson Smith Special Needs Scholarship	93	2023-24
Vermont	Town Tuitioning Program	140	2017-18
Virginia	Education Improvement Scholarships Tax Credits	192	2021-22
District of Columbia	DC Opportunity Scholarship	4	2022-23
	Hope Scholarship Program	N/A	
West Virginia	Special Needs Scholarship	179	2023-24
Wisconsin	K-12 Private School Tuition Deduction	N/A	
	Wisconsin Parental Choice Program	330	2023-24
	Racine Parental Choice Program	35	2023-24
Wyoming	Milwaukee Parental Choice Program	130	2022-23
	Wyoming Educational Savings Account	N/A	

Source: EdChoice, School Choice in America, <https://www.edchoice.org/school-choice-in-america-dashboard-scia/>.

FIGURE 4**Change in the number of private schools by state: 2010-11 to 2020-21**

Even with sampling errors, several states have added private schools in the last decade, while others have seen them close.



*Data not available

Source: U.S. Department of Education, National Center for Education Statistics (NCES), Private School Survey, Table 15. Number of private schools, students, full-time equivalent (FTE) teachers, and 2020-21 high school graduates, by state: United States, various years, <https://nces.ed.gov/surveys/pss/tables2122.asp>.

A CLOSER LOOK AT SCHOOLS IN ARIZONA

Arizona was one of the first states to enact an Education Savings Account (ESA) program, and this report uses data on the program from the Arizona Department of Education.²³ The program has been around since 2011, but until the 2022-23 school year, scholarships were only available to a few groups of students: those with special needs, children of active-duty military, foster children, students attending low-rated schools, and Native American students living on reservations. Beginning in fall 2022, however, all students, including those already attending a private school, could take part.

The Arizona ESA program is currently managed by Class Wallet. This digital platform manages the vendors, account holders, purchases, and reimbursements. (Some families, however, continue to receive scholarship funds loaded on a debit card, an option offered years ago.) Students with ESAs receive a Class Wallet account, and the state deposits a minimum of \$7,000 into their account, with students who require special education receiving more.²⁴ Parents can then spend the money

on tuition, expenses at a private school, or homeschool resources.

Class Wallet managed just more than 3,000 scholarship accounts in 2019-20, a number which doubled to more than 7,000 the following year and then rose to 11,000 in 2021-22. When all students in the state were eligible, the number of scholarship accounts rose quickly: 32,200 in 2022-23 and 45,500 in 2023-24. More than 75,000 scholarships exist, according to the latest data, and approximately 56,000 of those are universal scholarships rather than those extended to students in select groups.²⁵

In the 2023-24 school year, Arizona ESA students spent at least some of their scholarship funds at 661 schools (see Table 2). This looks like an error, as it is more than the total number of private schools reported in Arizona. The ESA program, however, uses a broad definition of “school.” It includes preschools, postsecondary institutions, and online schools, some of which might not be in Arizona. Putting a school into one category rather than another is not always a straightforward exercise. For example, a school may serve students online, or it may offer both virtual and in-person classes. This report refined the state’s definition of “school”

TABLE 2

Schools serving students in the Arizona ESA program – 2022-23 and 2023-24

ESA programs are allowing students to access a broader range of schools.

	2022-23			2023-24		
	Schools	Students served	Amount	Schools	Students served	Amount
School-Religious	230	17,024	\$91,216,135	268	21,772	\$131,563,621
School-Nonsectarian	41	1,118	\$7,195,546	60	1,708	\$10,526,207
School-Special education	58	3,478	\$87,087,668	64	4,012	\$104,296,648
Online school	47	577	\$1,799,560	84	1,425	\$4,870,588
School-Other	19	204	\$771,830	27	352	\$1,322,091
School-Alternative	3	49	\$337,460	5	95	\$644,621
Homeschool co-op	17	627	\$790,892	22	1,137	\$1,611,701
Microschool	9	615	\$1,454,429	22	1,460	\$6,861,469
Charter school	2	5	\$62,598	5	79	\$302,810
Public school district	2	221	\$177,338	2	260	\$457,113
Preschool	43	247	\$1,009,037	51	320	\$1,346,491
Montessori	27	444	\$2,418,996	32	611	\$3,319,017
Waldorf	2	76	\$403,100	3	100	\$538,044
Postsecondary	8	49	\$75,839	13	91	\$139,247
Career/technical ed	2	35	\$116,728	3	79	\$321,272
Total	510	24,769	\$194,917,158	661	33,501	\$268,120,941

Source: Arizona Department of Education, ESA data provided to EdChoice.

through internet searches. At least 22 schools in the Arizona ESA program were identified as microschools, including Prenda, Inc., a network of microschools. Another 22 were homeschool co-ops, two were public school districts, and five were charter schools.

Religious private schools served nearly 22,000 students in the program, making them the largest provider by far. They were followed by special education schools, nonreligious private schools, online schools, and microschools. In nearly every category, the number of participants grew between the first and second year of the program's universal era. Online schools grew the most. A student could use scholarship funds at more than one school, which is why Table 2 does not provide totals for the number of students served.

INDIANA, NEW HAMPSHIRE, AND UTAH ELIGIBLE SCHOOLS

While many states do not provide information on the number of students served by each type of school in the program, they provide the names and types of schools that students are eligible to attend. In most cases, about half (or slightly higher) of the schools are religious. Indiana lists 74 schools, of which 41 are religious, for its ESA students. Students in New Hampshire can use 128 schools, approximately half of which are religious. By contrast, only 35 of Utah's 87 participating schools are religious. Of the nonreligious schools receiving Indiana's ESA students, eight are nonsectarian, seven serve students with special needs, and six are Montessori. One interesting fact about New Hampshire's program is that 11 participating schools are boarding schools, some of which are out-of-state. Twenty-four nonsectarian schools and eight Montessori schools participate in New Hampshire's program. Utah's program has 20 nonsectarian schools and seven Montessori schools. At least eight microschools are available for ESA parents.

While it is too early to draw strong conclusions, it appears that states that subsidize private school tuition are gaining private schools. By contrast, the number of private schools is shrinking in states that do not offer this option. At the same time, the pool (and definition) of private schools is being broadened by these programs.

HOME AND HYBRID EDUCATION IN SCHOLARSHIP PROGRAMS AND THE SUPPLY OF VENDORS

Some states that have moved toward universal school choice, including Iowa, Indiana, and South Carolina, limit the use of funds to tuition at a private school. Others, such as Arizona, Florida, New Hampshire, and Utah, also allow parents to use their scholarships for home education or a hybrid of private school tuition and home education. In this second group of states, scholarship funds are placed in an account administered by Class Wallet or another organization. Parents can then shop at a marketplace of vendors to craft a home education or a blend of home and private school education. They can also purchase goods or services themselves for reimbursement.

A CLOSER LOOK AT VENDORS IN THE ARIZONA ESA PROGRAM

The school shutdowns of the COVID-19 pandemic led to a significant increase in homeschooling and hybrid homeschooling, in which students spend some days in school and some at home. Programs like Arizona's universal ESA make this much more manageable. In Arizona, families access at least \$7,000 per child to craft a home or hybrid education, using a marketplace of vendors to assist them. The number of vendors in the Arizona ESA program has grown from under 3,000 before the program was universal to almost 5,600 in the 2023-24 school year. The records the Arizona Department of Education provided to EdChoice include transactions between scholarship students and 2,650 vendors that were not classified as schools. This number, which covers the 2022-23 and 2023-24 school year, shows that parents have not used all available vendors, at least not through the Class Wallet system.

The detailed information on the vendors that participate in Arizona's program since it became universal two years ago confirms that parents are looking for curricula and other materials for home education. These materials include both full grade-level curricula and subject-specific materials. Many providers offer monthly, quarterly, or annual subscriptions. One example is History Unboxed, which sends students monthly boxes with curriculum, crafts,

and enrichment material about a historical event. The number of curricula providers in the program increased from 113 in 2022-23 to 164 in 2023-24 (Table 3).

Many Arizona families also used ESA funds to purchase professional services, such as tutoring, therapies, or the services of a paraprofessional. Nearly 70 of the tutors and therapists that parents used through the marketplace were out-of-state, showing that the program gave parents a larger pool of options. The number of providers of curricula and services in the universal Arizona ESA program grew by one-third between its first and second year.

Arizona families purchased more than education-related goods and services; many also found extracurricular programs to round out their children's educations. The largest category consisted of vendors offering music lessons, which grew from 138 to 180 (see Table 4) from the first year to the second. Among extracurricular vendors, physical education grew the most. Vendors in this category include fitness programs, tennis, golf, soccer, yoga, and other activities. The number of these vendors nearly doubled, as did the number of students who accessed them.

HOMESCHOOL VENDOR LISTS IN OTHER STATES

New Hampshire's ESA program became nearly universal in 2023-24. This program is managed by the nonprofit Children's Scholarship Fund. In the 2023 school year, the provider list for homeschoolers included 36 learning centers, such as Mathnasium, Sylvan Learning Center, and Kumon Math. In addition, there were 30 licensed therapists, 47 tutors, 95 virtual curricula and tutors, and more than 200 extracurricular providers, nearly 50 of which were for physical education. Compared to Arizona's nearly 60,000 universal ESA scholarship recipients, New Hampshire only had approximately 4,800 in 2023-24, making it a much smaller program.

In Utah, more than 450 schools and vendors joined the marketplace of the Utah Fits All scholarship program, which awarded 10,000 scholarships in 2024-25, its inaugural year. There were more than 75 curriculum companies in the marketplace, plus nearly 70 tutors and therapists and more than 100 providers of extracurricular activities.

It will be several years before we can look for trends in how parents put together a home or hybrid education in states that provide public dollars to do so.

TABLE 3

Curriculum and select services in Arizona's ESA program

In 2023-24, Arizona ESA students accessed over 1,200 tutors and over 500 therapists and paraprofessionals.

	2022-23			2023-24		
	Vendors	Students Served	Amount	Vendors	Students Served	Amount
Tutor/tutoring	939	3,438	\$9,598,662	1263	5,908	\$14,662,656
Paraprofessional	113	533	\$6,412,980	96	481	\$6,214,099
Therapist	382	1,592	\$5,015,789	443	2,044	\$6,866,663
College counseling	2	13	\$64,517	2	Not available	\$22,365
Curriculum/materials	113	3,247	\$2,355,681	164	4,954	\$3,568,855
Uniforms	4	104	\$30,293	3	206	\$50,020
Total	1,553	8,927	\$23,477,923	1,971	13,593	\$31,384,658

Source: Arizona Department of Education, ESA data provided to EdChoice.

TABLE 4**Extracurricular activities accessed through Arizona's ESA program**

Parents are using ESA funds to access hundreds of extracurricular vendors.

	2022-23			2023-24		
	Vendors	Students Served	Amount	Vendors	Students Served	Amount
Music	138	1,061	\$940,182	180	1,729	\$1,692,684
Arts	45	483	\$581,855	66	1,080	\$1,172,323
Dance	24	183	\$99,443	37	411	\$321,002
Theatre	22	184	\$92,453	23	283	\$161,641
Culinary	8	349	\$150,112	10	402	\$175,737
Gardening	8	112	\$168,212	11	119	\$218,025
Physical education -general	95	1,130	\$800,942	168	2,216	\$1,854,649
Martial Arts	57	509	\$392,893	80	910	\$883,654
Aquatics/swimming	32	479	\$330,595	35	675	\$515,772
Equestrian	27	422	\$314,701	32	657	\$643,223
Gymnastics	18	414	\$188,516	33	568	\$441,312
Hockey	3	75	\$27,902	4	181	\$81,782
Driver's education	4	102	\$116,072	3	147	\$156,326
Extracurricular-other	6	87	\$16,836	11	91	\$19,095
Total	487	5,590	\$4,220,715	682	9,469	\$8,337,225

Source: Arizona Department of Education, ESA data provided to EdChoice.

WHAT CAN WE LEARN AS MORE STATES MOVE TO UNIVERSAL CHOICE?

The idea of universal school choice is still quite new. Arizona parents are in the third year of having access to any public, private or home education in their state. The state's universal ESA program has grown from approximately 29,000 participants in fall 2022 to over 85,000 in the first quarter of 2025. In Florida, universal choice is available through the Florida Tax Credit Scholarship and the Family Empowerment Scholarships for Education Options. These two programs serve nearly 200,000 students at more than 2,000 private schools. And Florida has added over 600 private schools in the last decade.

Other states with universal programs, however, have seen more constrained demands for private education and homeschooling fueled by public funds. One factor is these programs' brief history. Iowa is in just the second year of its program. Last year, the 30,000 Iowa scholarships applicants were limited by the number

of seats available, and just 18,000 students used their scholarships. This year, there are 35,000 applicants. Demand for the Utah For All scholarships also exceeded expectations, with more than 27,000 students applying for 10,000 scholarships. Initially, the Utah Legislature appropriated funding for just 5,000 scholarships — an amount it has since tripled. In Oklahoma, parents can apply for tax credits to offset private school tuition, but the value of all credits is capped at \$150 million. This led to 5,600 tax credit applicants being rejected in the first year when the program quickly hit its cap.

It's not surprising that states would want to ease into a universal program, but restrictions create limitations and less-than-ideal developments. Parents may become frustrated by being wait-listed, and some may give up trying to get a scholarship. Educational providers who consider creating or expanding a private school to serve scholarship students must wonder if sufficient students with scholarships will exist.

Funding limits are not the only challenge facing universal school choice programs. Administrative rules can create friction for vendors and parents alike.

Parents must work within state guidelines for what defines an acceptable education expense. They are also often tasked with figuring out the marketplace of schools and vendors, submitting expenses, and managing their funds. Vendors, for their part, must meet certification/eligibility requirements, wait for reimbursements, and accept the terms of the program administrator, including any fees it may charge.

While we have seen the number of schools and vendors increase in the largest universal choice programs, we also know that the conditions are still less than ideal in most programs. How can these shortcomings be mitigated?

- **Choice programs must be truly universal if they are to reach their potential.** The legislative reality in most states is that programs must be rolled out over several years before they become universal. Only two states—Arizona and Florida—made the full leap to allow every child in the state to have an ESA. As more states move toward a universal approach, entrepreneurs will respond. The experiences of parents in Arizona provide insights into the education programs parents want. We can expect that an influx of online tutors/therapists, individual sports programs, and curricula subscriptions, among others, will rise to meet the demand.
- **States can increase the number of schools and willing vendors by minimizing regulatory friction.** If the compliance costs of being in an online marketplace are high, vendors may choose not to take part. Reimbursement for services should be easy and swift. Finally, parents appreciate having a one-stop shop for all accredited vendors, but they may also want to search out goods and services on their own. Alternate forms of payment should be available to accommodate them.
- **The marketplace for universal school choice programs should also involve choice.** Several early entrants to the scholarship administration market have been allowed to dominate thus far. Parents should have significant control over their children's education, and they should not be limited to one platform for exercising their choices.

CONCLUSION

It is still very early days in the shift in K-12 education from one of school assignment to one of school choice. What we can say thus far is that many parents are crafting creative education plans, and suppliers are showing up to serve them. Participation in these programs will grow, both in the states that have them and also in states that will create new ones. As this happens, creative minds will develop new ways and means to educate children. The camps of public school, private school, microschool, online school, or home school are likely to further blur, as more families want to have and can have some of each. It appears that the supply side of K-12 education is growing in both size and definition. In doing so, it is meeting the challenge and opportunity created by expanding the practice of universal choice.

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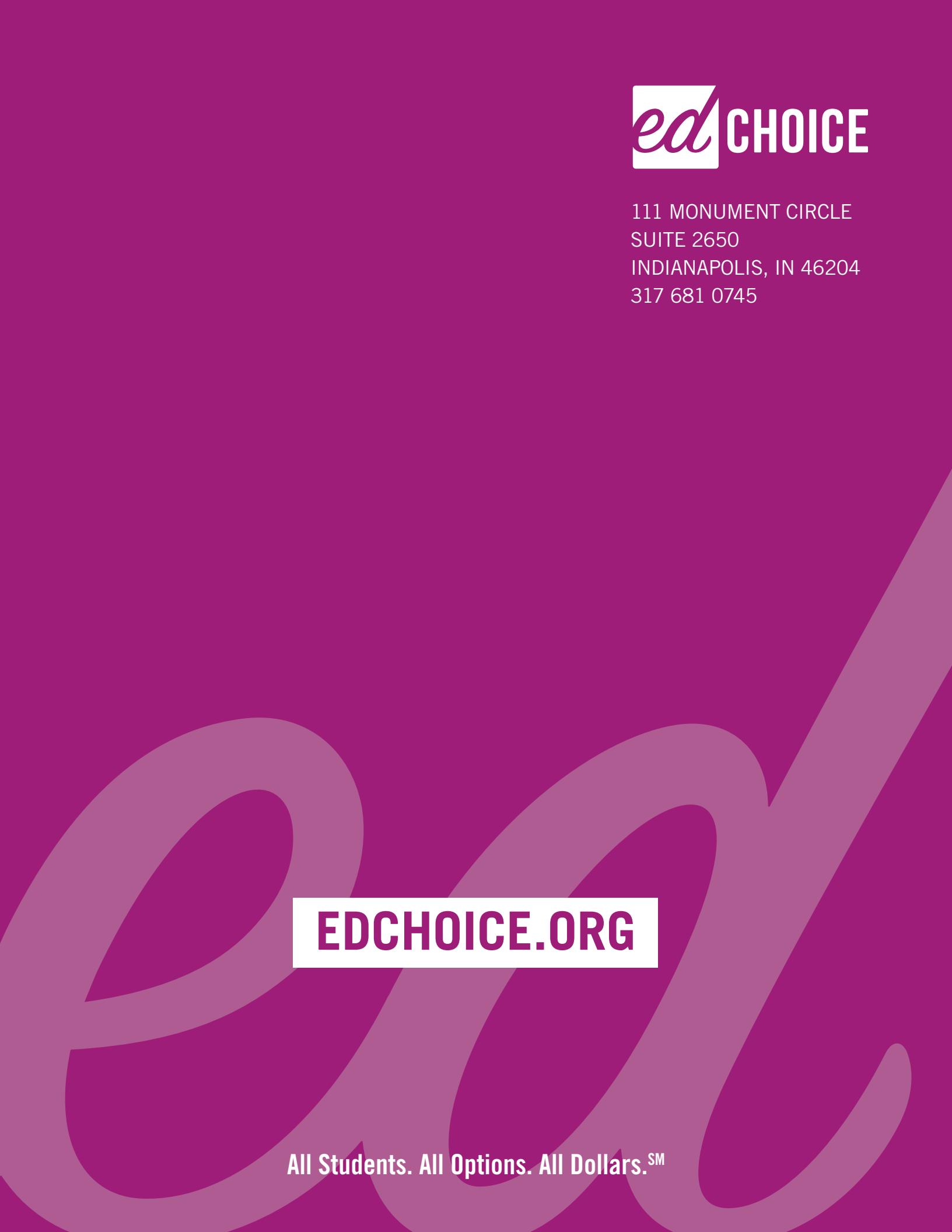
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The background of the page features a large, abstract graphic composed of several overlapping, rounded, organic shapes in shades of light purple and magenta. These shapes are arranged in a way that suggests motion or a network.

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