

## Proposition 305: ESA Program Expansion

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In 2011 Arizona lawmakers adopted the Empowerment Scholarship Accounts (ESA) program, commonly known as a school voucher program, which provides state funds to pay for tuition and various educational services offered by private and parochial schools.<sup>1</sup>

Originally the ESA program gave parents or guardians of students who had disabilities that could not be addressed in public schools the opportunity to turn to private schools, with the state paying part of the bill (amounting to around 90 percent of what it would have spent to send the child to public school). Over the years the program gradually has been expanded to extend eligibility to students in several other categories, including foster-care children, those residing on American Indian reservations and those attending failing public schools.

Currently about 23,000 students are eligible for the program and slightly over 5,000 are receiving vouchers, most of whom have disabilities. Most ESA money has been spent for tuition to private schools.<sup>2</sup>

In 2017, the Legislature passed a bill signed by the governor that expands ESA program eligibility to all 1 million students in the state, although it caps total enrollment at 30,000 (as noted below, the existence of the cap, which was adopted out of political expediency, may somewhat complicate how various groups and voters might look at the measure).

The 2017 legislation was put on hold after a referendum drive initiated by a grassroots organization known as “Save Our Schools Arizona” produced enough signatures to put it on the ballot as Proposition 305, up for voter approval or rejection. A “yes” vote on the proposition would be in favor of the legislation, a “no” vote would be in opposition to the legislation. Rejection of the legislation would have no effect on the existing ESA program.

### ***Understanding Arizona's Propositions***

*Arizona voters will be asked to pass judgment on five measures on the ballot in the November 2018 general election. Four propositions call for amendments to the Arizona Constitution.*

*Two propositions were placed on the ballot by the Legislature, two others through the initiative process and the remaining one via a signature-gathering campaign challenging legislation passed by the Legislature and signed into law by the governor.*

*As in past years, ASU Morrison Institute for Public Policy examined Arizona's propositions to offer voters independent and nonpartisan assessments based on relevant documents and views expressed by subject-matter specialists and those who support and oppose particular measures.*

*“Understanding Arizona's Propositions” will provide information on each ballot proposal, how each came about, what it would do if passed, and its likely impact.*

Much of the debate thus far has featured rather familiar pro and con arguments regarding school vouchers in general.

Proponents, picking up the themes first articulated by economist Milton Friedman in the 1950s, argue that vouchers give parents a greater choice in choosing education services for their children. They also argue that forcing public schools to compete in an educational free market for pupils and their voucher dollars ultimately will improve the educational offerings of the public schools. Vouchers are seen by proponents as valuable in both saving taxpayer money and ensuring that funds will go to teaching students rather than being “wasted” on public school administration.

Backers of voucher expansion include Governor Doug Ducey, the state chapter of Americans for Prosperity supported by Charles and David Koch, and the American Federation for Children, which is supported by U.S. Secretary of Education Betsy DeVos, the Goldwater Institute, Center for Arizona Policy and the Bishops of the Arizona Catholic Conference.

The central argument against the proposition is that vouchers are wrong because they divert tax dollars from public schools, where it is badly needed, to private schools. Opponents argue that public funds should be spent on public schools, not private or parochial schools.

Considerable concern also has been expressed that the existing program lacks meaningful oversight to ensure that public funds are being used as intended and that private schools are held accountable for their educational services.

The ESA program also has been criticized on the grounds that it tends to benefit people who are relatively well off financially, not impoverished or middle-class families. Only those with considerable financial means can take advantage of the ESA program because vouchers do not come anywhere close to paying the full tuition for a quality private school. As it works out, opponents argue, vouchers could be used by parents who could afford to send their children to a private school without using any public money.

Some opponents point out that there is no need for additional avenues for school choice. Arizona already offers parents plenty of options in addition to the existing ESA program, including open enrollment in public schools, home schooling and charter schools. By some measures, Arizona already is leading the nation in regard to school choice.<sup>3</sup>

The 30,000-voucher cap placed on ESA programs, which is included in Proposition 305, ultimately could complicate expansion plans. For example, parents of children with special needs who already are in the program could find themselves in competition for vouchers – and possibly losing out – if eligibility is expanded to a larger population of students who do not have disabilities. A “no” vote from this perspective could be looked upon as protecting students that the ESA program was originally designed to help.

The cap may be difficult for proponents to eliminate because of the Voter Protection Act. Adopted in 1998, the law requires a three-fourths vote in both legislative chambers to make any

changes in measures approved by the voters. Any change in voter-mandated propositions is limited to “further the purpose” of the ballot proposition only.<sup>4</sup>

Those who oppose an expansion of vouchers must choose if it would better to vote the proposition down or, because of the 30,000-voucher cap language puts a strict limit on growth, vote for its approval and take advantage of the unintended consequence that limits vouchers to a small fraction of Arizona students.

Opponents of the voucher expansion include Save Our Schools, teacher organizations, the Arizona PTA, the National Organization for Women Arizona, Greater Phoenix Leadership, Secular Coalition for Arizona and the League of Women Voters of Arizona.

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<sup>1</sup> Arizona courts have decided that the ESA is not a voucher program because it does not give public money directly to private and parochial schools, which would violate the Arizona Constitution.

<sup>2</sup> Relevant statistics were found on the website Ed Choice, <https://www.edchoice.org/school-choice/programs/arizona-empowerment-scholarship-accounts/>. See also Arizona Department of Education website: <http://www.azed.gov/esa/>.

<sup>3</sup> See, for example, Kenneth K. Wong, “The Politics of Education,” pp 359-380 in Virginia Gray and Russell L. Hanson eds, *Politics in the American States*, Washington, D.C.: CQ Press, 2008.

<sup>4</sup> There is some debate, however, over whether the Voter Protection Act applies to referendums challenging an act of the Legislature, as was done here.

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