

Gaggle School Vouchers.mp3

Student Montage I would say that this school is more letting you learn and go a step ahead than what you may. Making you sit in a desk and teach and making you think that, hey, this is how it's supposed to be. All right. Get in the way when you're trying to learn something. I mean, everyone comes from different sides, but still, there's different ways to teach someone. And sometimes schools will just be everyone's way. // Do you like what you learn here? // Yeah. // Is there something that makes you excited to come to school? // My friends. // You like your friends? // Yeah. Yeah. //What do you like about your friends? // They're weird like me.

Ron Hansen Those are the sounds of students at Majestic Grace Christian Academy, a private school that just opened this year. The students here don't need to pay tuition. Rather, their education is funded by the now-expanded universal voucher system approved by the Arizona legislature.

Mary Jo Pitzl Arizona's empowerment scholarship program is the most extensive in the entire country. Now, any student whose family wants to send their child to a private school can do so thanks to a taxpayer-funded voucher. This is a benefit that is really helping some families. But critics say the program's cost will strain the state budget, and there's no way to gauge the kind of education students are getting or who's making money off of the program because it lacks many guardrails.

Ron Hansen Welcome to The Gaggle, a weekly politics podcast from the Arizona Republic and azcentral.com. I'm your host, Ron Hansen. I cover national politics for the Republic.

Mary Jo Pitzl And I'm Mary Jo Pitzl. I cover state politics and policy for the Republic. Today we're taking a closer look at Arizona's school voucher program. Joining us to talk about the situation is Yana Kunichoff, who covers K-12 education for the paper. Yana, good to see you.

Yana Kunichoff Glad to be here.

Ron Hansen Mary Jo, you've done some reporting on this issue from a budgetary perspective at the legislature. So I'm going to put you on the hot seat today, too. Yana, let's start with you, though. Give our listeners a quick rundown on what the ESA program is and who is eligible for it.

Yana Kunichoff The ESA program in Arizona is essentially a tuition payment system, so families around the state can apply to the Arizona Department of Education for money that they can then use to pay tuition at private schools, but also for sort of a range of educational therapies for curriculums and for special supports. Previously, the program was limited to students in foster care or military families or students with special education needs. But since last summer, any student that resides in the state can apply.

Ron Hansen Do we know how many students participated last year or are expected to be in the program this year?

Yana Kunichoff Last school year started with 12,000 students in the SC program. This school year is going to start with over 60,000 students in the program. So it has grown hugely.

Ron Hansen And about how many students do we have in public education in Arizona?

Yana Kunichoff There's 1.1 million students in Arizona. So the 60,000 puts the ESA program larger than any school district in the state.

Ron Hansen Okay. 60,000 out of more than a million. That's a relatively small number. That means the price shouldn't be all that out of sorts, should it, Mary Jo?

Mary Jo Pitzl Well, not comparatively, but in reality there's a lot of sticker shock that is happening because of the rapid growth that Yana mentioned. And most of that growth came from students who had never been in the public school system. That means everybody who came into the program received a voucher of about 70 \$100. That was new money to the state budget. The program was set up with the premise that a lot of kids would transfer out of the public school system and into a voucher. But after almost one year, we haven't seen that.

Yana Kunichoff So when I was looking at the most recent quarterly report for the third quarter, you had 35,000 families who get between 6000 and about \$8,000. But then you have a little over 5000 families were getting \$30,000 a year. So that's probably students who need either special education or other special support. But I think there's a pretty broad range of how much money students get from this program.

Ron Hansen If the program is relatively small in scale, at least for the moment, its budgetary footprint sounds like it's been fairly heavy. Mary Jo, what do we know about the expected cost of this program moving forward? And how have lawmakers and the governor responded to that?

Mary Jo Pitzl Well, it depends who you talk to. So very interestingly is school Superintendent Tom Horne and a Republican, and Governor Katie Hobbs, a Democrat, agreed that the program should grow from the current 61,000 some students to 100,000 students by next June. That's an interesting alignment of projections, given that Horne is a staunch defender of the program and Hobbs is very concerned that it's going to bankrupt the state. The costs associated with that kind of enrollment growth does have the prospect of putting a \$320 million shortfall in the current state budget, according to figures that the governor released. Lawmakers. The Republican majority in the legislature, though, is saying, look, everybody's got to calm down. We estimate it'll be about 68,000 students by next June. We've already accommodated the cost in our current state budget. There's not going to be a deficit. And if there is if there's more students than we have projected, we'll cover up because this is a very popular program and it gives people choice. But we've yet to see and we probably won't get any updated numbers from the legislature until we're farther into the school year when they can get a better enrollment count and see how many students are leaving public schools. And where are these children coming from for the essay program?

Yana Kunichoff What I think is really helpful to know is that there's these kind of big questions about costs, but there's also big questions about administration of the program. So three of the four ways that families can pay or use the money that they get in the program have to be manually approved, though. The last numbers that I got from the Department of Education, these are several months ago, but they had 37 people working at the department, but that's 37 people who have to approve. Every time you want a textbook from a certain provider, every time you might want to go to a new school. So I

think that has been a really difficult part of administering the program. And another thing that's complicated is that if you're a private school student or if you're using the money for private school tuition, like that's a one time payment if you're a special education parent. Arguably, the folks who the program was initially created for, you actually have a much more complicated use. And therefore these slowdowns are affecting you a lot more.

Ron Hansen How much of the institutional inertia problems that you just talked about or the budgetary implications of a program that is growing faster than what we might have guessed at first? How much of this was known or feared or processed when this program was first being put into law?

Yana Kunichoff I would say on the administration side, I wasn't surprised by it. Even before Tom Horne's administration was taking over the school voucher program, and they're very supportive of it and ideologically behind it. Parents were always coming to the state Board of Education meetings, raising concerns about when they were being paid, about how administration went with class wallet, which is the third party vendor system. So to me, it's not surprising that as the program grew with no major change in how it was administered, that that became more difficult.

Mary Jo Pitzl The rapid growth in the program was something that surprised lawmakers. They had to put more money into last year's budget to cover the jump in enrollment for the voucher program. When they say they're committed to doing that again, But this is something that the Democratic minority has been warning about, that this is a program that's going to cost a lot of money. It needs to be reined back in. Governor Hobbs famously started her term of office in January, saying that we need to roll back this program. She hasn't gotten anywhere on that. I will say that as we're approaching the anniversary of the program, opening up for all eligible students, that there's a little bit of hesitation at the legislature. House Speaker Ben Toma, who was the sponsor of the bill that brought us universal vouchers, has said that he's hired an outside economist to come in and analyze data on the program. He wants to know where the students who are receiving the vouchers are coming from. And it's a little unclear at this point what exactly that means. But obviously, if the students are coming from an existing public school environment, that's going to be a cost to the state. If they are coming new into the voucher program and going to a private school or going into home schooling, that's going to be an extra cost to the budget. The only way the state saves money is a charter school students transfer. It has to do with the way the funding is set up for essays. It's also important and I don't know yet if the Economist will look at this, but if we know where the children are coming from geographically, one of the goals of the program was to give parents choice, especially lower income families, who, according to the rhetoric, you know, are trapped in failing schools. Well, this would be an option. So is that happening? We don't know.

Ron Hansen So let's talk about that last part for just a moment. What do we know about the educational outcomes from all of this? Is there any demonstrated improvement in learning or learning conditions, or is this really all about feels for parents and their kids?

Yana Kunichoff It's a really interesting question because how much data Arizona shares about its school voucher program, I think has been one of those contentious parts of the process, especially compared to other states. Arizona shares very little concrete data about its school voucher program. So we know how much money families receive, but we don't know where those families live. We don't know their background. We don't know how students are doing in school. And that's been a big concern of critics of the program. And then more broadly, given that a lot of the money is going to private schools, those

institutions share very little data, especially compared to public schools. We don't know the certification status of teachers. We don't know, again, like the test scores of students. So I think there's a lot of question marks about what this program looks like on the ground.

Ron Hansen Mary Jo, is there any appetite of the legislature to address any of that as they grapple with unanticipated expenses or trying to ensure that the program is working as designed? Is there any eye toward amending what it is that they collect or report?

Mary Jo Pitzl They're not anywhere near the point of amending anything, but there is some concern. As I mentioned, Speaker Toma has hired economist Allan Maguire to take a look at some of the data in the program. And earlier this year, as part of the state budget deal, Toma and his Democratic counterpart in the House agreed to create a committee of House members who will sit down and suggest some guardrails, you know, some data points that should be collected from the program. That committee consists of Toma and Beverly Pingerelli, who is the chairwoman of the Education Committee. And then Democrats Judy Schwiebert and Nancy Gutierrez, who are both schoolteachers. The appointees have been named, but no meeting has happened yet. And it's unclear when they're going to get down to proposing some of these things. But that could lead to legislation.

Yana Kunichoff I think it can be really helpful to think about what other states have and then to compare Arizona to that. So Ohio requires the state to report students' outcomes on standardized tests. Oklahoma shares information on how many private schools reject applications from students with disabilities, which is something I've heard anecdotally from parents in Arizona and I think would be really helpful to know. Indiana shares participation by ethnicity and household size, household income and geographic area. So that's just really different compared to sort of these really broad numbers that we have from Arizona about how many students receive a certain amount of funds, but really not much else.

Ron Hansen So we talked about the sticker shock at the Capitol and clearly the battle lines over this program have not gone away over the course of a year. Governor Hobbs isn't a fan of the program, but leadership at the legislature had a big hand in it. Where does this leave this program's near-term future at the Capitol? Should we expect any big fights over it in the next legislative session? Does this create any undue angst in education circles as the new school year is upon us?

Mary Jo Pitzl Yes and yes. You were looking at maybe 100,000 students in the program by next June. That's a cost of 900 million to 943 million, depending on if you're listening to Hobbs or to Horne. That's a lot of money. That kind of money has not been budgeted for the program. And if they hit those kind of numbers, something's going to have to happen, which probably would mean cuts to other programs, maybe rolling back some of that \$2.5 billion in excess spending that they gave lawmakers to designate. So that is causing angst. And yet there's a very strong contingent in the public school community that is just, you know, has nothing good to say about vouchers. The Save Our Schools organization, you know, speaks out constantly about it. And what we'll see is hopefully in the coming weeks is the GSA program attracting students from the public school system and if so, from which schools? And does that fulfill some of the promise of the voucher program?

Yana Kunichoff And the Horne administration has really spoken very positively about the program, about how it opens the door for choice. They've spoken about it as sort of a tool against class inequality in Arizona. But as we're looking ahead to this next school year and as the program grows, the truth is that we can't really know whether it is doing the work that

the Horne administration says it's doing. The essay program has also at every state Board of Education meeting, or many, many of them been sort of a consistent place of criticism from parents against the Horne administration. And there's also, you know, kind of happening still in the background. The Arizona state treasurer is still in the process of deciding on a new vendor for the essay program. So the previous head, Christina Corso, who is running the program inside the Department of Education, blamed a lot of the slowdown in payment and difficulty on the third party vendor class wallet. But they were supposed to decide who would be the new vendor, and then that was extended another week and we may find out in early August. So I think between like some of the ongoing difficulty in getting payments up to a regular schedule, the sense that some of the parents who were really at the core of the program, the special education parents who have been in it for years, who feel that they're really not being served by the program right now, but from an on the ground viewpoint, I can't imagine that it's going to become any less contentious in the coming months with this coming school year.

Ron Hansen Speaking of the coming school year, as a parent of an 11-year-old, it is certainly on my mind how much of the debate over essays is really driving concern in education circles right now as they are preparing for a new school year and all the many considerations that go into how to manage all of that.

Yana Kunichoff I think, in the broad existential sense. Public school advocates and school leaders want to know that they are going to have a robustly funded public school system. In a world where technology costs a lot, school buildings cost a lot, there's a school facilities funding trial that's going to go to trial next year. I think there is concern about funding for public education in the EASA program right now is sort of to me seems like one of the biggest factors that opens the door to uncertainty around what that will look like in the future. But when I'm talking to school leaders, I think they're also just like really focused on their classrooms. A lot of schools are still dealing with the aftermath of the COVID-19 pandemic. They're working on getting students up to the speed of learning that they want them to be out there working with different discipline behaviors. They're worried about vaping. So I think that day to day, those are the concerns that take precedence in the hallways of public school classrooms.

Ron Hansen Mary Jo, this has clearly been an issue of heartburn from a budgeting standpoint and a fault line between the governor and House leadership and Senate advocates as well for a long time. How big is this in the constellation of issues that are always simmering at the Capitol?

Mary Jo Pitzl It could be really big if the costs continue to climb because there isn't a lot of wiggle room in the state budget. Revenues have taken a downturn. I don't know if that's a blip. It'll take a little more time to figure that out. And the whole issue of school choice has been a topic for two decades at the legislature, I mean, ever since this program was created. So it's going to continue to percolate. Watch for it being a big talking point, at least in certain legislative races next year, where, you know, it's sort of pitted, as you know, do you want to support your public school or do you want to support parents who have a lot of money to send their kids to private schools and are now getting a big check from the state?

Ron Hansen Very good. Well, Yana, thank you for taking the time to discuss this with us. If people want to follow your work, where can they find you on social media?

Yana Kunichoff Yeah. I'm so glad to have had this conversation. I can be found at @Yanazure on Twitter and at ykunichoff@arizonarepublic.com

Mary Jo Pitzl And that's it for this episode. We'd like to extend a special thanks to everyone who's submitted questions for our mailbag show last week. Keep those questions coming. To do that, leave us a voicemail at 602-444-0804 or send us a voice memo to thegaggle@arizonarepublic.com.

Ron Hansen Remember to follow rate and review us wherever you're getting The Gaggle. You can find us on social media at A-Z C Podcasts. You can find me on Twitter and threads looking for Ronald J. Hansen

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Ron Hansen Audio clips for this episode are provided by Yana Kunichoff. This episode was edited and produced by Kaely Monahan. You can follow her on Twitter @kaelymonahan.

Mary Jo Pitzl And thanks for listening to The Gaggle, a podcast from the Arizona Republic and azcentral. We'll see you next week.