

How States Can Use CARES Act Funds to Promote and Support Educational Choice

By John Schilling

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Key Points

- During the coronavirus-driven school closures in spring 2020, traditional public school students lost three months of the school year because too many school districts proved incapable of delivering online education. This disproportionately harmed the most vulnerable students.
- Governors should model relief efforts after states that have already begun to use discretionary Coronavirus Aid, Relief, and Economic Security Act funds to offset this inequity by supporting existing educational choice programs, establishing new educational choice programs for lower-income families, and allowing families to control relief funds through scholarships, microgrants, or education savings accounts.
- Additionally, if another COVID-19 relief package passes, Congress should ensure private schools and families also have access to relief funds, include additional discretionary funds for governors, and establish a federal tax credit to transition emergency aid into a funding mechanism that will benefit public and private school students going forward.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed into law by the president just over six months ago, represents a rare opportunity for governors to leverage federal education funds largely unencumbered by prescriptive federal rules. The bill appropriated \$16.2 billion for K–12 education, and Congress astutely set aside \$3 billion of that for the Governor’s Emergency Education Relief (GEER) discretionary fund.

Aside from funding for equitable services—little of which has gone to private schools—most of the non-GEER K–12 funding (\$13.2 billion) goes to public schools. So far, around only 10 percent of funds have been drawn down, though it is unclear how much has already been committed by state education agencies (SEAs).

Governors should use their remaining CARES Act discretionary GEER funds in bold, innovative ways that directly empower families and students. While many states submitted broad, unspecific plans for using these funds, several states have strategically invested the funding in students rather than simply allowing SEAs to absorb the funding into status quo K–12 programs. These states include:

- South Carolina, where Gov. Henry McMaster designated \$32 million of the state’s GEER fund to create the Safe Access to Flexible Education Grants program. These grants will support the private school tuition costs (up to \$6,500 per child) of students whose household adjusted gross income is

300 percent or less of the federal poverty level. School choice opponents immediately sued, and the case has been fast-tracked to the South Carolina Supreme Court.¹

- Oklahoma, where Gov. Kevin Stitt launched the Stay in School Fund, which provides emergency education relief to private school families that have faced hardship or income changes because of the pandemic and economic shutdown. These funds allow students to stay in the schools they're already attending to maintain educational stability and continuity. Students can receive a scholarship of either \$6,500 or the 2020–21 published tuition (whichever is less) at an approved nonprofit private school. Scholarships are prioritized for families at or below 185 percent of the poverty level for the first week of funding, and then the program opens to families at or below 350 percent of the poverty level.²
- Florida, where Gov. Ron DeSantis invested \$30 million in the Florida Tax Credit Scholarship and \$15 million in a stabilization fund to provide grants directly to private schools that serve scholarship students and are at risk of closure due to declining enrollment. The grants will be limited to schools where 50 percent or more of students use choice scholarships.³
- New Hampshire, where Gov. Chris Sununu is providing \$1.5 million from his GEER fund to private school scholarship organizations that participate in the state's Education Tax Credit Program. The funds will provide up to 800 new scholarships so families can choose the educational options that work best for their children during these uncertain times.⁴
- North Carolina, where the Republican-led state legislature acted boldly by leveraging unspent CARES Act funds. The legislators expanded the Opportunity Scholarship Program by raising the income limit for a family of four to \$72,000 and lifting an arbitrary limit on kindergarten through first

grade enrollment, allowing up to 1,000 students on the waiting list access to a school of choice. The program also allows the state's two virtual charter schools to enroll an additional 3,800 students and provides \$335 grants to families with children that can be used for anything from tutoring to education technology purchases.⁵

More governors and state legislatures should follow these states' lead.

Governors in states with existing private school choice programs should allocate GEER funds to those programs. In other states, governors could follow South Carolina's example to create new private school choice programs to serve lower-income families. GEER funds can be used for various options that provide greater flexibility for families, such as hybrid homeschooling, tutoring, education technology purchases, and learning-pod expenses. When families can control their education spending—through scholarships, microgrants, or education savings accounts—they can ensure a continuous learning environment for their children throughout the year.

The pandemic has laid bare just how antiquated our K–12 system really is. Families in America want and need greater flexibility and choice to ensure their children receive a *full-time* quality education. Traditional public school students lost three months of the past school year because too many school districts proved incapable of delivering online education. The students who suffer the most are special-needs children who really need in-person instruction and children in lower-income families, 30 percent of whom lack the necessary technology to do remote learning.⁶

As the 2020–21 school year begins, most public schools are using a hybrid model or are completely online. Most private schools are reopening with either in-person or hybrid instruction, with enhanced safety protocols for teachers and students. Governors should acknowledge this reality and use their remaining GEER funds to provide families with greater flexibility and choice.

Should Congress ever pass additional COVID-19 relief funding, it should follow the Senate's lead and ensure private schools and families—that are as equally affected by the coronavirus as public

school families are—receive emergency aid commensurate with the number of children in private schools. Congress should include a federal tax credit to transition the emergency aid into a funding mechanism that will benefit public and private school students going forward. And it should include an additional discretionary GEER fund that will allow governors to be bold, think outside the box, and

directly empower families, especially lower-income and special-needs families, to provide the best education possible for their children.

This is a time for states, in partnership with the federal government, to break the shackles of an antiquated system and truly put students' interests first.

About the Author

John Schilling is president of the American Federation for Children. He served as associate state superintendent and chief of policy at the Arizona Department of Education and chief of staff for Education Leaders Council in Washington, DC. He also held senior positions for two members of Congress.

The opinions expressed in this publication are those of the author. They do not purport to reflect the opinions or views of AEI or the series coordinator, Frederick M. Hess.

Notes

1. South Carolina Office of the Governor Henry McMaster, "Gov. Henry McMaster Creates Safe Access to Flexible Education (SAFE) Grants," press release, July 20, 2020, <https://governor.sc.gov/news/2020-07/gov-henry-mcmaster-creates-safe-access-flexible-education-safe-grants>.
2. Oklahoma Governor Kevin Stitt, "Governor Stitt Announces \$30 Million Education Allocation Plan," press release, July 17, 2020, https://www.governor.ok.gov/articles/press_releases/governor-stitt-announces-30-million-education.
3. Ron Matus, "Florida Setting Aside \$45 Million in Relief for Private Schools, Low-Income Private School Families," redefinED, June 11, 2020, <https://www.redefinedonline.org/2020/06/florida-setting-aside-45-million-in-relief-for-private-schools-low-income-private-school-families/>.
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5. Dawn Baumgartner Vaughan, "NC Legislature Sends Governor a \$1 Billion COVID-19 Relief Bill with Checks for Parents," *News & Observer*, September 3, 2020, <https://www.newsobserver.com/news/coronavirus/article245461775.html>.
6. Monica Anderson and Andrew Perrin, "Nearly One-in-Five Teens Can't Always Finish Their Homework Because of the Digital Divide," Pew Research Center, October 26, 2018, <https://www.pewresearch.org/fact-tank/2018/10/26/nearly-one-in-five-teens-cant-always-finish-their-homework-because-of-the-digital-divide/>.

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