

# Tuition Vouchers Okay, but Obsolete

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Recent, ongoing huge improvements in the quality and accessibility of online instruction have changed school choice advocates' avoidance of the 'V-word' (tuition vouchers) from a dubious rhetorical practice to a good idea. The appropriate avoidance also applies to the publicly-funded scholarship version of 'tuition voucher.' The persistence of the Friedman/Merrifield vs. [Coons/Sugarman/'X' sharp disagreement on co-payment permission](#) is another very good reason to prefer price-control-immune tuition tax credits and price-control-immune Education Savings Accounts (ESA) to price-control-vulnerable tuition vouchers. The sharp disagreement is over the efficiency vs. equity implications of mandating that publicly-funded school must be free vs. [not all 'free'](#) (0 tuition); allowing families to supplement voucher funds with their own money (i.e. co-pay).

Even without the 'V-word' stigma achieved by school choice opponents, tuition vouchers were never the favorite policy of all advocates of much increased private school choice. Until recently, the main private school choice policy alternative to tuition vouchers was tuition tax credits. The main advantages of non-trivial tax credits over vouchers are immunity to price control, less vulnerability to court challenge, and reduced vulnerability to increased regulation of private schools.

Arizona's limited eligibility [ESA](#) law made a universal version of that approach (recently enacted in [Nevada](#)) into a credible alternative to tuition vouchers and tuition tax credits. Eligible families get an annual or monthly ESA deposit of state funds if they opt out of their assigned public school. ESA holders can spend the funds on approved schooling expenses. So, families can use the ESA money to customize instruction through one or more instruction providers. Tax credits have the same effect when they offset a mixture of schooling expenses.

The potential for devastating price control with a co-payment ban, and increasingly widespread availability of online instruction (so the potential for ‘blended learning’), has made the tuition voucher a less attractive policy compared to comparably universal, comparably funded tuition tax credits and ESAs. Blended learning means a customized mix of online and face-to-face instruction; something highly likely to be the best choice for a lot of children. Tuition vouchers lack the flexibility of tax credits and ESAs. Tuition vouchers have to be submitted to a single provider of schooling. Unless there are providers of blended learning, voucher users must choose between online instruction and face-to-face instruction.

So, rather than avoid the v-word by pretending that tuition vouchers are really ‘scholarships’ even though there is no academic ability criterion, avoid it by choosing large universal tuition tax credits or large universal ESAs as the policy vehicle to financially facilitate private school choice.