

School Choice with Steve Yarbrough

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arizona, choice, school, scholarship, state, steve, esa, years, legislature, arizona legislature, pot, called, tax credit, case, kids, arkansas, charter school, bill, donations, hobbs

SPEAKERS

Steve, Keith



Keith 00:00

We are pleased to provide this text from our podcast. As you know, the spoken word is often less formal and sometimes less precise than a written piece that may be carefully edited. I have also been known to sometimes jumble my words beyond recognition! Please let us know if you have any questions or concerns -- and thank you for supporting the show! â€” Keith DeGreen



Keith 00:07

It is the civil rights issue of our lifetime, school choice. You know, it's so important and I've talked about this a lot on previous podcasts and I'll continue to write and speak on it. But we're very privileged today to have someone who has been a leader in the school choice movement. For many years. He was once described by the Arizona Republic, Arizona's largest newspaper and a very liberal newspaper as the architect of school choice. They meant that is an indictment. But former's Arizona Senate President, Steve Yarborough wears that as a badge of honor, as well, he should. And he is with us today, smiling and being very patient as we got all our gear set up. He's a retired board certified family law specialist with 50 plus years of experience practicing law in Arizona. But he served in the Arizona legislature for 19 years first in the state house, in the house and then in the Senate, rising ultimately to the position of president of the Arizona Senate in Arizona, they have term limits. And it was only the term limits that took him out of politics. He won every election that he sought and was clearly respected by his peers. During his service, he authored 95 bills signed by three different governors and about 25 of those bills dealt with the issue of school choice, which is extremely relevant, obviously to our discussion. He has been named Arizona legislature of the year four times. He and his wife, Linda, have been married since 1968. So I think they're getting the hang of it. And they have three, three sons and eight grandchildren. Steve are so glad to have you on board here today. Welcome, and we have a lot of things to discuss here. You've been you've been your nationally recognized expert on school choice, and we appreciate.



Steve 02:01

S Steve 02:01

Thank you very much. It's a honor, believe me to be with you. Indeed.

K Keith 02:07

As Steve, seriously, you've been you've been you've spoken to other legislatures around the country. You've helped pioneer this this field. My own view is that ultimately, the supreme court's going to say that the 14th Amendment requires that parents have the right to choose where their child's portion of what's called the primary state funds for education. Go. We'll see. But ultimately, that's I would think that's the ultimate objective. And in the meantime, you guys are doing whatever you can do. And you have so many different programs. I wondered if you would be kind enough to kind of walk us through and incidentally, Steve is the chairman are two different school choice organizations, Arizona Christian school tuition organization, HC S T O, and school choice Arizona SCA. So he walks he walks the walk as well as talk the talk. Steve, I yield to you. What's what's been happening in the legislature?

S Steve 03:04

Well, some really, really great things have have been happening. And last year, the Arizona legislature adopted what they call universal ESA and became the first state in the United States to have a universal school choice program that's available to every student who wants to take advantage of that. And we are now seeing that play out. Last September, the law became effective. And so we are now nine months in and the number of students signed up for

K Keith 03:44

ESA has gone for now what is he What is he ESA stamp? Very good. Thank

S Steve 03:48

you. Yeah, acronyms empowerment scholarship account, which is really the name that they chose. But since last September, we went from 11,000 students on the prior version of ESA, to over 62,000 students are now signed up. For an ESA, I would suspect by the time school starts in the fall will be perhaps north of 70,000. And that, of course, is in addition to the 230,000 plus kids who are taking advantage of a charter school in the state of Arizona. So we have we have that group over here. And then we've now we've got ESA and then we have scholarship tax credit or STO kids. And there are 1000s of those as well. And they get scholarships as a result of donations that folks like you and I make to a school tuition organization and then they turn around and give scholarships for that. So So we have this and,

K Keith 05:01

Steve, I just point of clarification, those donations are a you actually receive an Arizona tax credit that uptrend limit on on those donations. Exactly.

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Steve 05:11

Not a deduction, but a absolutely dollar credit dollar 100% credit. And that's, that's in place has been for 25 years now. The tax credits have been in place, charter schools have been in place even a little bit longer. And ESA is now are certainly flourishing, to say the least.

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Keith 05:38

Well, you've been a leader and implementing the whole state as implementing the scholarship tax credit programs. How would you say the program's you started in 1998? Well, effective have they been overall?

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Steve 05:51

Well, they've been very effective. The total amount of scholarships that have been given as the result of people making these donations is north of a billion with a B dollars since the program was implemented. So so they are very, very popular. The organization that I serve as executive director is in the neighborhood of \$400 million worth of scholarships between the two organizations, one of which focuses on individual donations. The other school choice, Arizona focuses on corporate donations. And so we do both of those.

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Keith 06:36

What's the cap? For Arizona tax? Do you have an I do recall,

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Steve 06:41

there is no cap on the individual side, there is a corporate cap, there's a totality of donations that you can make all together statewide. On the corporate side, so there's a restriction or a limit there, but no limit on the individual side.

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Keith 07:01

Oh, wow. Wow. Steve, as you know, there was a highly contested and some would say questionable election in Arizona. Katie Hobbs, a Democrat, a a minion of the teachers unions, has been elected governor. And the result is that she has expressed an intention to try to throw roadblocks in your path. Yes. What do they plan to do?

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Steve 07:34

Well, there's several things that they might do. And as I mentioned, before, they they could do an initiative petition. But that's that's a tough road to hoe. Because it takes like, say, roughly 350,000 signatures and they failed to get enough signatures to refer the ESA universal bill to

the voters there. So they could still try that. Or they could try to flip the legislature and they only have to gain a couple of seats in each house. And they could do that. And if that were to occur, the mischief would be incredible. I know Katie Hobbs Well, she was the minority leader when I was president of the Senate. And I know how hostile she is to school choice. She really, really does have hostility towards it. And, and people say, well, she's going around saying that ESA is going to bankrupt the state. And that is one of the sillier things that anybody could ever possibly say, in my opinion. And I kind of offered this approach if I might take a couple of minutes and run through this. Play the play There are multiple pots of money that are used to fund public education in Arizona. One pot is the state general fund the money that the legislature appropriates, and that's the biggest pot and it's billions of dollars, that they appropriate, and they exceed the the spending limit and the legislature gives them permission to do that. So that's the first pot then there's a second pot, that is your local tax that you pay. And of course, if you look at your tax bill, you'll see their school district and a number for each of the districts that you might be in and so that's a second pot of money, then there's a third pot called the state land trust, and that's another pot of money. Because Arizona has a whole lot of federal our government I should say government land and

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Keith 09:50

80% of the state is owned by the government

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Steve 09:54

and and all of the proceeds from selling or renting that property. The goes to another pot that is exclusively used for public education. And then finally, you've got the potential of federal funds. So you've got these four pots. And if you add them all together and divide by the number of students, we find ourselves with this amazing outcome. Over \$14,000 per student to attend a public school, you say, Well, okay, but that doesn't mean you're still not bankrupting the state with the essays? Well, it's pretty hard to do that when the ESA is from 6500 to \$7,000. The scholarship tax credit average is about \$4,000, and has caps on the corporate side, and \$7,900. So the point is, how in the world is 7000, a bigger number than 14,000? It isn't. So here's what really happened. Every kid that goes to another school and uses an ESA or a scholarship tax credit, is saving the taxpayers of Arizona, a whole lot of money. And so you can't get yourself bankrupted if what you're doing ends up saving your money in the process. So that's what we're

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Keith 11:26

dealing with the the progressive elite the PE is they have to know these numbers, they have to be aware of the math because math is math. So what's the hidden agenda here? Is it just spinning a slave to the to the teachers unions, because it's a large voting, the

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Steve 11:45

teachers union are driving the bus, there's a little doubt about that. And they have a whole series of other groups that are part and parcel of this red thread invest in ED PTA. They've got a whole litany of folks all of whom have in their minds a vested interest in trying to prevent the

whole family of folks, all of whom have in their minds a vested interest in trying to prevent the development the progress of school choice. They,

K Keith 12:13

I always I always wonder how much of this is heartfelt on their side? And how much of it is just cynical? Just I know. So

S Steve 12:20

I don't know the answer to that. But I what I do know is that school choice is good for students. And that's what we ought to be paying attention to is what's what's the best thing we can do for students in the state of Arizona.

K Keith 12:35

You know, everything we were discussing here with former Arizona Senate President Steve Yarborough has a ripple effect throughout the country because Arizona has been the poster child for innovative techniques to get that money into the hands of parents who can then decide where their child will be best educated. So it's very important to understand that while we talked about Arizona here, we're really talking about the whole country. Different states are at different levels of attempting different things. What is his name? Josh Shapiro, in Pennsylvania Democratic governor broke his pledge just recently, and vetoed a bill that would have allowed some semblance of school choice or some greater semblance in Pennsylvania. But you have worked with the Ohio Legislature and the Arkansas legislature. Tell us about what's going on there freezing. Well,

S Steve 13:29

Arkansas was really delightful. I went to Arkansas at the invitation of the leadership of the Senate and the House, the end of Governor Sanders. And I spoke to the legislature there, which is a pretty rare thing to have happen.

K Keith 13:46

And that's Governor Huckabee Sanders.

S Steve 13:48

Yes, it is. And what a delightful lady. She is. I just, I admire her so much. And her chief of staff is the former Deputy Chief of Staff in Arizona. So I had worked with Gretchen before. Yeah, to Arkansas. As a result of I and I don't know that I had much to do with it. But nevertheless, I tried. Arkansas passed a really significant probably the second or third and most significant school choice package of legislation of any state and certainly a little bit behind Arizona and

perhaps Florida but nevertheless very significant. They did that. And then Ohio just last week, I adopted a major plan as well and I'd had some influence there along the way. But I made a list Keith and this. I hit here are here are the states that in the past 18 months have expanded either ESA scholarship tax credits open enrollment at district schools, charter schools or other forms of school choice. And that list, Alabama or Arkansas, Florida, Idaho, Indiana, Iowa, Kansas, Louisiana, Montana, Nebraska, New York, Ohio, Oklahoma, South Carolina, Tennessee, Utah, West Virginia, Wisconsin. And of course, Arizona. That's all in the last 18 months significant school choice measures.

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Keith 15:20

It is. It is. So it is I'm I'm really hopeful that we find a national right buried in that 14th amendment. And we just require that these you know, here's the here's the problem, Steve, and I think you'll agree with this is, you know, the Supreme Court recently brushed aside the affirmative action programs at major universities, that would be a non issue. If low income kids got a decent K through 12. Education. That's right, you know, you're trying to solve it when they're 18 years old, rather than when they go to school, originally go to school. And then you pretend then that then you pretend that they're doing okay, and you pass them through, and then they get into the real world. And it's they find out holy cow, like you this is, you know, way beyond my paygrade. In fact, very tough situation. Well, and we're

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Steve 16:13

excited because we are seeing this I mean, I don't know at what point people need to get out of the way and realize that school choice is going to it's going to wash over them no matter what they do. But we we are seeing it because I mean, you have 19 states in a single 18 month period, adopt significant school choice legislation. I mean, that,

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Keith 16:37

were they were they were they all Republican legislature, all

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Steve 16:41

Republican legislatures. We have not yet. Not yet, but the day will come. And it might be Georgia is sort of a hybrid, but it has a Republican governor, but we just saw a very high profile, black female Democrat in Georgia, switch parties this week, because of the fact that they were antagonistic the Democrat party to school choice in Georgia, and she was sick and tired of the quality of their schools, and particularly the black kids who were suffering from that. So. So she's done. That's it. I'm done. I'm switching and it'll be interesting to see how that plays out.

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Keith 17:26

You may, Steve, you may have better numbers than I have. And I think the last number I read was that 62% of the American public support school choice they do consistently, despite despite all the misinformation that's out out there about how 7000

despite all the misinformation that's put out there about how 7000

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Steve 17:43

is somehow more than 14,000. Yeah, they are that kind of information.

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Keith 17:49

Yeah, the school choice in its early days was accused. And I was I was chairman about school choice, trust organization in in Arizona for a number of years as well. And in the early days, the rap against school choice is that it was only going to benefit higher net worth people somehow. And I still haven't figured that out. I haven't I mean, I was there I saw the man, we were looking for kids that didn't have any money. Yeah. It even if that was true, then the whole idea behind school choice is that is to make it not about how much money the parent has, but how much the parent cares. And buried beneath their resistance, I think also is an arrogance of the left, that somehow parents are not competent to decide where their children might best receive an education and how dare they how it but but that's but that's part of the the,

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Steve 18:52

but they may have reached the point or they're very close to where the proverbial horse is out of the corral. And hopefully that school choice is just going to be an unstoppable force in America over the next few years. And in fact, I think we will see in the next three legislative sessions in the United States. I think we will see this wave continuing. I don't think it's going to stop anytime soon. And I don't think the Katie Hobbs 's of the world are going to be able to turn it back.

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Keith 19:29

The I repeat that, in my opinion, it is the civil rights issue of our day. How can a child compete if they don't get a decent education? And, you know, I hope we get to a point where it's just universally ruled that the Money Follows the child and not the building. Exactly. Money files and child and not the building. Yes, sir. You know, there have been some court I want to ask you one other thing as being I'm a recovering attorney. Incidentally, I'm no longer practicing Okay, well then great to to recovering. We can have we can have our own 12 STEP program. There have been some there have been some court cases, though. And it's been interesting the road that you have traveled, do you want to walk us through that? folks an idea of how this is up, this is being addressed by the federal courts well, and

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Steve 20:22

it has been quite a quite a road. Indeed, it all started in Arizona, after the scholarship tax credit bill was passed. And we were immediately sued in a direct appeal to the Arizona Supreme Court. And you don't see too many of those, they took the case it was called cotterman versus Kellyanne. But in 1999, they set up scholarship tax credits on their face our constitutional well,

then we got sued on what's called an as applied basis, where they're saying, Hey, we just looked at this, and 90% of the kids who are getting these scholarships are going to faith based schools. And so that must be a violation of the establishment clause, and you jumped right to where I was going to go. And that is, well, wait a minute. 90% of the private school kids in Arizona are going to a faith based school. And so So what's Why are you surprised

K Keith 21:16

and they're still accredited? They're accredited schools educate Yeah.

S Steve 21:19

And doing a fine, fine job. And so they they sued us then in federal court, we spent 12 years litigating in federal court, that case was called ACS to that's us. Versus when, and we went and we first won the case in the District Court, then we went the Ninth Circuit, guess what happened there?

K Keith 21:44

Oh, well, you don't have to guess. Yeah, Brian, you lost.

S Steve 21:47

And then you have to the United States Supreme Court for the first time and we lost there as well, five to four, they sent us back to the district court, we went back there, we won. Then we went to the ninth circuit again, guess what we lost again. Then we asked for what's called an on bonk proceeding, we had 27. Judges hear our case, the next round in the Ninth Circuit, Oh, we lost again, 18 to nine. But then we went to the United States Supreme Court a second time, it's unheard of almost to get a case to the US Supreme Court once, much less twice. And the second time that we were there, we prevailed five to four. And Justice Kennedy wrote that particular decision. And what's interesting is every case, every school choice case that has gone to the United States Supreme Court since we did that, in 2011, the school choice side has prevailed, I think we can probably close the door on litigation. At this point, I think two trips to the United States Supreme Court, hopefully will be the end of that. And we won't have to do that anymore. Because the two recent cases, one out of Montana, one out of Maine, both went the way of the school choice, folks. So I think the litigation perhaps is done. I know, I'm happy to be done with it after litigating the same case for 12 years.

K Keith 23:17

Well, but you're not done fighting. And that's for sure. You know, we've been visiting with Steve Yarborough, former Arizona Senate president. And Steve, I want to thank you for not just taking the time to not only share with us the Arizona story, but to extrapolate it nationally, because it's obviously a national issue. It's a human rights issue. And if it wasn't for brave men and women like you taking the heat for 19 years in the Arizona legislature and now for many, many

years Additionally, as a executive director of charter school choice organizations, we wouldn't be as far along as we are. And on behalf of everybody, I thank you because you're a good man and you do great work. Thank

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Steve 24:02

you. Appreciate it.

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Keith 24:05

Steve, thanks so much for joining us today. Folks. I am Keith DeGreen, and this is As I SEA it!

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Keith 24:12

We are pleased to provide this text from our podcast. As you know, the spoken word is often less formal and sometimes less precise than a written piece that may be carefully edited. I have also been known to sometimes jumble my words beyond recognition! Please let us know if you have any questions or concerns -- and thank you for supporting the show! â€” Keith DeGreen