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ABSTRACT

This three-part primer is designed to educate and inform people about all aspects of school choice and to equip them to participate in the debate as fully informed members of the community. The text: provides a brief historical review of the origins and growth of tax-funded schools nationwide and how they came to be synonymous with public education; demonstrates the failure of many popular education reforms of the past and present, including ever-increasing funding and burdensome regulations, to significantly improve the quality of government education; explains the different school choice programs nationwide, including intra- and inter-district choice, charter schools, tuition vouchers and tax credits, universal tuition tax credits, and private scholarships; identifies barriers to education reforms and dispels myths about school choice; and outlines strategic plans that parents and other concerned citizens can follow to advance a cause for greater school choice and sustain school choice victories. Two appendixes present a glossary of education-related terms and a list of school choice resources. (SM)



A Mackinac Center Report

The Case for Choice in Schooling: Restoring Parental Control of Education

Matthew J. Brouillette

A Comprehensive Guide for Advancing Parents'
Rights and Responsibilities to Direct the Education of Their Children

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The Case for Choice in Schooling: Restoring Parental Control of Education

**A Comprehensive Guide for Advancing Parents' Rights
and Responsibilities to Direct the Education of Their Children**

by Matthew J. Brouillette

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The Case for Choice in Schooling: Restoring Parental Control of Education

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Executive Summary

The modern debate over school choice—the right, freedom, and ability of parents to choose for their children the safest and best schools—first emerged as a public policy issue in the United States in the 1950s. It has taken over 40 years, however, for the advocates of greater choice and competition in education to grow into a nationwide movement strong enough to attract the attention of policy-makers at all levels of government.

Only a few years ago, the idea of allowing parents greater freedom to choose their children's schools was considered unnecessary, unrealistic, and even undesirable by some. Today, however, school choice is the centerpiece of education reform discussions across the nation. The repeated failure of past reforms to cure the ills of poorly performing government schools has led to widespread frustration among parents, students, teachers, and other education professionals. Citizens—whether black or white, rich or poor, urban or suburban, Democrat or Republican—are now demanding in increasing numbers the freedom to choose more and better alternatives to their local public schools. They are, in short, demanding greater school choice.

Such broad-based public support for fundamental educational reform makes it essential that parents, policy-makers, teachers, and others concerned with the quality of education in the United States understand the facts—and avoid the myths—surrounding school choice. This three-part primer is designed to educate and inform citizens about all aspects of school choice and equip them to participate in the debate as fully informed members of their communities. The comprehensive text

- Provides a brief historical review of the origins and growth of tax-funded schools throughout the United States generally and how they came to be synonymous with “public education”;
- Demonstrates the failure of many popular education reforms of the past and present—including ever-increasing funding and burdensome regulations—to significantly improve the quality of government education;
- Explains the different school choice programs throughout the nation. The discussion includes intra- and inter-district choice, charter schools, tuition vouchers and tax credits, universal tuition tax credits, and private scholarships;
- Identifies the barriers to education reforms and dispels myths about school choice; and

Citizens—whether black or white, rich or poor, urban or suburban, Democrat or Republican—are demanding the freedom to choose more and better alternatives to their local public schools.

- Outlines strategic plans that parents and other concerned citizens can follow to advance the cause for greater school choice and sustain hard-fought school choice victories.

Several appendices include a glossary that explains various choice terms and proposals, including vouchers and tuition tax credits; a sample illustration of how to advocate school choice with letters to the editors of local newspapers; and a list of where to go for more information on school choice and other education reform issues.

The Case for Choice in Schooling: Restoring Parental Control of Education

by Matthew J. Brouillette

Introduction

The modern debate over school choice—the right, freedom, and ability of parents to choose for their children the safest and best schools—first emerged as a public policy issue in the United States in the 1950s. It has taken over 40 years, however, for the advocates of greater choice and competition in education to grow into a nationwide movement strong enough to attract the attention of policy-makers at all levels of government.

Only a few years ago, the idea of allowing parents greater freedom to choose their children's schools was considered unnecessary, unrealistic, and even undesirable by some. Today, however, school choice has moved front and center in discussions about how to improve education across the nation. The repeated failure of political reforms to cure the ills of poorly performing government schools has led to widespread frustration among parents, students, teachers, and other education professionals. Citizens—whether black or white, rich or poor, urban or suburban, Democrat or Republican—are now demanding in increasing numbers the freedom to choose more and better alternatives to their local public schools. They are, in short, demanding greater school choice.

Such broad-based public support for fundamental educational reform makes it essential that parents, policy-makers, teachers, and others concerned with the quality of education in United States understand the facts—and avoid the myths—surrounding school choice. This three-part primer is designed to educate and inform citizens about all aspects of school choice and equip them to participate in the debate as fully informed members of their communities.

A NOTE ON TERMINOLOGY

Throughout this text, the terms “government education” and “government schools” are used in place of “public education” and “public schools.” The purpose of this word choice is fourfold. First and foremost, the term “public education” has been turned on its head. Early in America's history, what was considered a “public education” for students was achieved at independent, church-related, community-sponsored schools that served large heterogeneous populations. They were in essence what are today called private schools. Beginning in the 1850s, however, public education became synonymous with the direct governmental sponsorship, operation, and control of schooling. Over 100 years later, “public schools” retain the governmental authority to gain funding through taxation as well as students through compulsory attendance laws and the school district assignment system.

The idea of allowing parents greater freedom to choose their children's schools once was considered unnecessary, unrealistic, or even undesirable, but today it has moved front and center in discussions about how to improve education across the nation.

From the outset of the first settlements in the New World, Americans founded and successfully maintained a decentralized network of schools through the 1850s.

The second reason for the use of the word “government” in place of “public” is that “public” does not clearly identify the sources of ownership, funding, and control of a school. Many enterprises—including restaurants, hospitals, and sports arenas—may be privately owned, funded, and controlled, but are still considered to be “public” places because they serve the public. In the same way, private schools serve the public that chooses to attend them and are therefore also “public” in that regard.

Third, because government is the only institution legally permitted to use taxation to fund its activities, the “public schools” are the only schools to benefit from such a financial monopoly. In contrast, private schools continually must please their customers—students and parents—to stay in business. Unlike “public schools,” private schools cannot demand that families who do not use their services pay for them anyway. Private schools understand that dissatisfied customers can leave and take their money with them at any time.

Fourth and finally, “public schools” are government units that are bound by both the constitutions of their respective states and of the United States. Private schools may require prayer and certain types of conduct and standards that “public schools” cannot.

For these four reasons, “government schools” and “government education” are a more accurate and descriptive way to distinguish politically governed, tax-funded schools from privately owned schools and forms of education.

Part I: Government Schooling Comes to America

The Origins of Government Education in the United States

The first step in understanding the state of education today is to review how government came to be the dominant force behind schooling in the United States. From the outset of the first settlements in the New World, Americans founded and successfully maintained a decentralized network of schools through the 1850s. Then, beginning in New England, a wave of change swept across the country, which soon saw states quickly abandoning the original American model of decentralized, private education in favor of government-funded and operated schools.

This movement not only altered the direction and control of elementary and secondary education in the United States, but it also contradicted many of the principles Americans had fought for less than a century earlier:

- A country founded in opposition to central governmental authority allowed for bureaucratic management of its schools.
- A country synonymous with “free enterprise” and distrust of legally protected monopolies built a government monopoly in schooling.
- A country that stretched the exercise of individual choice to its practical limits in nearly every sphere of life severely limited the exercise of choice in schooling, assigning the responsibility for education to the discretion of government authorities.

The system of K-12 government schooling that exists to this day clashes with the political, economic, social, and cultural traditions of the United States to an extent unparalleled by any other institution in American society. This fact once prompted former American Federation of Teachers President Albert Shanker to observe, "It's time to admit that public education operates like a planned economy, a bureaucratic system in which everybody's role is spelled out in advance and there are few incentives for innovation and productivity. It's no surprise that our school system doesn't improve: It more resembles the communist economy than our own market economy."¹

Despite these stark contradictions, many Americans nevertheless believe that government schooling is inseparable from the existence of a free country and that without government education, democracy itself would be threatened. Yet for the first 150 years of America's settlement and the first 50 to 75 years of the nation's existence, government schooling as it is known today did not exist.

Today, few people ask how Americans, without the help of government schooling, came to tame an unsettled continent and eventually establish the freest nation in history. The Founding Fathers were clearly educated men, and they certainly believed that to remain free, America must always have an educated citizenry. An educated citizenry, however, does not depend on nor require that government provide or operate schools. A brief review of American education prior to the 1850s will illustrate this point.

EARLY COLONIAL PERIOD TO THE AMERICAN REVOLUTION: A FREE MARKET IN EDUCATION

Early colonial America was arguably the freest civil society that has ever existed. This freedom extended to education, which meant that parents were responsible for, and had complete control of, their children's schooling. There were no accrediting agencies, no regulatory boards, and no teacher certification requirements. Parents could choose whatever kind of school or education they wanted for their children, and no one was forced to pay for education they did not use or approve of.

Prior to the Revolutionary War, the majority of American schools were organized and operated on a *laissez-faire* basis. There were common schools (often partially financed by local taxpayers, but primarily funded through private means) and specialized private schools of every sort (church schools, academies that prepared students for college, seminaries, dame schools for primary education, charity schools for the poor, and private tutors). Free schools were established by philanthropists and religious societies throughout the country to meet the educational needs of the very poor.²

Common schools are America's original government schools, and they existed primarily in New England. They were first built in the Puritan commonwealth of Massachusetts to inculcate the Calvinist Puritan religion in the colony's young. The Puritans modeled their common schools after those created by Martin Luther and the German princes as a means of instilling religious doctrine and maintaining social order in the Protestant states of Germany.³ Apart from the Puritans' religious considerations, it is uncertain whether the Massachusetts Legislature would have enacted the first compulsory school code in 1647,

The system of K-12 government schooling that exists today clashes with the political, economic, social, and cultural traditions of the United States.

known as the Old Deluder Satan Act. To that point, none of the other colonies—with the exception of Connecticut—had enacted such laws.⁴

As the Puritans' commonwealth acceded to the development of trade and the influx of other religious sects, enforcement of the Massachusetts school laws grew lax, and private schools soon sprang up to teach the more practical commercial subjects. By 1720, Boston had more private schools than taxpayer-financed ones, and by the close of the American Revolution, many Massachusetts towns had no tax-funded schools at all.⁵

REVOLUTION TO THE 1830S: NEW ENGLAND'S FIRST EXPERIMENT WITH GOVERNMENT SCHOOLS

All schools were strictly local—financed and controlled by local committees that set their own standards, chose their own teachers, and selected their own textbooks.

In drafting its new state constitution in 1780, Massachusetts decided to reinvigorate its earlier model of tax-funded schools. So it was that Boston, at the time of the nation's birth, laid the foundation for the first tax-funded school system in any American city. But it was hardly like the system of today: Primary education was still left to families' private and voluntary arrangements, and children had to be literate to enter the tax-funded grammar schools at age seven. There were no compulsory attendance laws, and private schools flourished alongside the new tax-funded schools. In fact, most parents preferred private schools to the government ones.⁶

Massachusetts's Education Act required the creation of common schools in the state's smaller towns plus grammar schools in its larger towns, where Latin and Greek were to be taught. There was no central authority in education, however: All of the schools were strictly local—financed and controlled by local committees that set their own standards, chose their own teachers, and selected their own textbooks.

Connecticut modeled its laws after those of Massachusetts to maintain the continuity of its common schools after the Revolutionary War. New Hampshire did likewise. In New York State, the legislature in 1795 appropriated a large sum of money for the purpose of encouraging and maintaining schools in its cities and towns.⁷ Many towns took advantage of this school fund and established common schools, but they were only partially financed by the state fund. The counties were required to raise matching funds, and parents also paid tuition. Wherever colonial governments showed an interest in promoting schools, private schools were also eligible for government funding.⁸ There was no discrimination against schools that provided a religious education.

As for secondary schools, the "academy" became the dominant form throughout the country between the late eighteenth and early nineteenth centuries. Academies were generally organized, as individual corporations operated, by self-perpetuating boards of trustees and financed either wholly through private endowment or through a combination of endowment and tuition. State governments accepted this corporate form of organization for secondary education as desirable public policy and actively promoted it through grants of land or money to individual academies. Americans of the time conceived of academies as public institutions—when "public" implied the performance of broad social functions and the service of a large, heterogeneous, nonexclusive clientele, rather than control and ownership by the community or state.⁹ In this respect, Massachusetts's system of land

grants, beginning in 1797, represented a radical departure from the active promotion of grammar-school maintenance by towns in the seventeenth and early eighteenth centuries.

The policy of governmental encouragement of academies soon spread throughout the country during the early 1800s. Gradually, small, private, and often transient schools outnumbered incorporated academies. Religious denominations as well as colleges actively established their own versions of academies. The actual curricula varied widely. State legislatures viewed support for incorporated academies as an inexpensive and administratively simple way of ensuring the maintenance of substantial numbers of secondary schools. The task of founding, managing, and supervising the schools rested with self-contained boards of trustees and thus did not add significant burdens to the state.¹⁰

The popular argument that autonomous, competing corporations best served the public interest extended easily from finance, travel, and manufacturing into the realm of education. According to author Barry Poulson, "Private education was widely demanded in the late eighteenth and nineteenth centuries in Great Britain and America. The private supply of education was highly responsive to that demand, with the consequence that large numbers of children from all classes of society received several years of education."¹¹

Not only was private education in demand, but it was quite successful. Literacy in the North rose from 75 percent to between 91 and 97 percent between 1800 and 1840, the years prior to compulsory schooling and governmental provision and operation of education. In the South during the same time period, the rate grew among the white population from between 50 and 60 percent to 81 percent.¹²

Despite the demonstrated success of privately managed education in America, many European nations began to adopt the view that the state should be the guardian of national character and culture. In 1806, Holland became the first country to create a national system of state-regulated education. Prussia followed suit in 1819 when it adopted a centralized government system of education.¹³

The first movement toward state-controlled education in America came in May 1817 when a small but vocal group of Bostonians petitioned to establish a system of government primary schools and to phase out the private primary schools. They argued that many poor parents could not afford to send their children to private schools. In response, the "Boston School Committee" conducted a survey. They determined that an astonishing 96 percent of the city's children attended school, despite the fact that there were no compulsory attendance laws and the primary schools were private. The committee recommended against establishing government-financed and operated primary schools because the vast majority of parents were willing to pay for private instruction and charity schools were available for those who could not afford to pay anything.¹⁴

But the primary school reformers waged a vigorous campaign in the press, focusing on the several hundred children who were not attending school. They insisted on expanding the government school system to include the primary grades, rather than having the local governmental authority subsidize the tuition of children whose parents could not afford to send them to the private schools. The reformers' efforts were rewarded in 1818 when the city government created a new Primary School Board, which would oversee the newly formed government-funded schools. As a result, Boston became the first American city to

Despite the demonstrated success of privately managed education in America, many European nations began to adopt the view that the state should be the guardian of national character and culture.

In 1818, Boston became the first American city to have a complete government-financed school system from the primary to the secondary level.

have a complete government-financed school system from the primary to the secondary level.¹⁵

The “problems” cited by the government school reformers were only tangentially related to economic issues: Their primary disagreement with the organizers and operators of most private schools was on fundamental issues of religious doctrine.¹⁶ In this regard, the early reformers’ efforts foreshadowed Massachusetts State Senator Horace Mann’s work in the 1830s.

Ultimately, it would have been more economical for Massachusetts townsfolk to pay for the tuition of poor children to attend private schools than to pay for “free” government schools. Privately funded and operated schools were “more efficiently organized, provided better instruction, pupil supervision, and social atmosphere”¹⁷ than did tax-funded schools. In addition, citizens already had demonstrated their willingness to support education without governmental control or assistance.¹⁸

THE 1830S AND 40S: HORACE MANN, THE END OF FREE-MARKET EDUCATION, AND THE RISE OF GOVERNMENT SCHOOLS

During the three decades preceding the Civil War, two significant developments occurred in popular education in the United States. The first is that the foundations were laid for a governmental takeover of education, and the second is that the historical role of schools in transmitting religious traditions gave way to more secular goals. The educational reform movement that marked the turning point in United States educational history originated in, and was dominated by, the example of Massachusetts and its political leaders, particularly Horace Mann.

Horace Mann was born to a family of farmers in Franklin, Massachusetts, on May 4, 1796. His lineage included some of the earliest Puritan settlers who practiced a “severe brand of Calvinism.”¹⁹ At the age of twelve, the bookish and introspective Mann rejected Calvinism and focused his attention on educating himself. He graduated from Brown University in 1819 and, following law school in Connecticut, became a practicing attorney in Boston in 1825.

Mann’s interest in politics and law and his views and skills as an orator soon catapulted him into the Massachusetts legislature. It was as president of the State Senate that he became intimately involved in the movement to concentrate control of education in the hands of state.

The fight to bring education under the control of government was essentially a fight over the schools’ role in shaping the character of the American people. The goal, implicitly religious, was social integration through the inculcation of certain common beliefs selected for their “uplifting” character. Mann, raised an orthodox Calvinist, came to bitterly reject his upbringing in favor of Unitarianism.²⁰ Unitarians of the time believed that they were preserving the essence of Christianity, purged of sectarian and divisive doctrines, despite the refusal of orthodox Calvinists to recognize them as Christians. Though he may not have intended to promote Unitarianism as a denomination in the schools, Mann clearly wanted to

counter the predominant influence of Calvinism by marginalizing it in the minds of Massachusetts students.²¹

The emphasis of the education reformers shifted from voluntary initiatives for improving the techniques and resources available for instruction to state action promoting a uniform system of education. Voluntary efforts lost ground to state coercion as the diversity among local schools was defined as a problem, and schools not accountable to the political process were condemned as a threat to the best interests of society.

Horace Mann and the education reformers' primary purpose was to bring local school districts under centralized town authority and to achieve some degree of uniformity among the towns through a state agency. They believed that popular schooling could be transformed into a powerful instrument for social unity.²² Mann promised: "Let the Common School be expanded to its capabilities, let it be worked with the efficiency of which it is susceptible, and nine tenths of the crimes in the penal code would become obsolete; the long catalogue of human ills would be abridged."²³

The organizational model that Mann and others adopted for use in Massachusetts and elsewhere was the Prussian educational system as described by French philosopher Victor Cousin in his 1833 book *Report on the Condition of Public Instruction in Germany, and Particularly Prussia*.²⁴ The Prussian system of state-controlled education extended from the lower grades through the university levels. Schools were established, supported, and administered by a central authority: The state supervised the training of teachers, attendance was compulsory, parents were punished for withholding their children from school, and efforts were made to make curricula and instruction uniform. Cousin believed that this system was both efficient and effective and used it as "a prime example of the superiority of centralized authority."²⁵

Mann and his supporters, however, did not seek direct authority over local schools, given the public-at-large's opinion against central government control of education. Instead, they worked to extend the state's role in defining what would be taught in schools and in preparing those who would teach in them. This state role was exercised not so much through regulation and enforcement as through exhortation and the advantages of having a "bully pulpit" in a highly decentralized system.²⁶

As president of the State Senate, Mann was instrumental in establishing the Massachusetts Board of Education in 1837 during the height of Whig and Unitarian influence in the state. Appointed as the board's first secretary that year, he served until 1848, when he resigned to fill a vacant seat in Congress. On the board, Mann combined an evangelical fervor for the common school with adroit political skills to accomplish three objectives: state collection of education data, state adoption of textbooks through the establishment of state-approved school libraries in each district, and state control of teacher preparation through the establishment of "Normal Schools" (teacher colleges). Although Mann did not invent the original "public" schools, he advocated state control of the very character and mission of "public" education and laid the groundwork for greater governmental control.²⁷

Yet Mann did not accomplish his goals without bitter and principled opposition. Many orthodox and even some liberal Protestant leaders strongly objected to what they

Horace Mann and the education reformers worked to extend the state's role in defining what would be taught in schools and in preparing those who would teach in them.

Government usurpation of schooling did little to increase educational access for children. It simply shifted the responsibility of education from the family to the state.

perceived as Mann's imposition of his own sectarianism in the schools. Many also disagreed with Mann about the role of government in schooling. Centralized control of schooling was seen as antithetical to republican traditions—in particular, the freedom of parents to pass on their own beliefs and traditions to their children.

Mann succeeded in great part because nonsectarianism was a staple of evangelical Protestantism. Where theological division did exist, Mann exploited it to raise fears of sectarianism. Eventually, the generalized Protestant character of the common schools was enough to unify all but the most orthodox Protestants in support of government schooling. This was bolstered in part by Protestants' reaction to increased Catholic immigration and the attempt by Catholics to gain tax support for their parochial schools. Author Andrew J. Coulson notes that some believed that little could be done to "salvage adult immigrants, irretrievably indolent and immoral as they allegedly were." But that their children "could ostensibly be saved from the twin ailments of Irish birth and Catholic faith by the 'great remedy' of Protestant public schooling."²⁸ Indeed, the common school movement and anti-Catholic sentiment were inextricably bound up with one another as citizens desired to prevent Catholic schools from being assisted through tax money and to "Americanize" the foreign-born.²⁹

THE 1850S AND BEYOND: STATES INCREASE GOVERNMENT'S ROLE IN EDUCATION AND RESTRICT SCHOOL CHOICE

Government control of schooling was intended to bring education to a larger segment of the population, but the result was that it simply pushed aside existing private schools without substantially increasing overall enrollment rates. As tax expenditures on the government system increased during the mid-1800s, more parents were drawn away from tuition-charging schools while the percentage of the child population being educated remained essentially constant. Government usurpation of schooling did little to increase educational access for children. Rather, it simply shifted the responsibility of education from the family to the state.³⁰

Modern educators argue that state intervention was, and remains, necessary in order to unify American society. It is regularly contended that government schooling has been key to bringing together various racial, religious, and political groups; and that society would otherwise become polarized and antagonistic to one another. However, based on the experiences of the 1800s, this belief is not only wrong but is exactly backwards. Author Andrew J. Coulson writes

Prior to the government's involvement in education, there were nondenominational schools, Quaker schools and Lutheran schools, fundamentalist schools and more liberal Protestant schools, classical schools and technical schools, in accordance with the preferences of local communities. Some had homogeneous enrollments, others drew students from across ethnic and religious lines. In areas where schools of different sects coexisted, they and their patrons seldom came into conflict, since they did not try to foist their views on one another. They lived and let live in what were comparatively stable, though increasingly diverse communities. It was only after the state began creating uniform institutions for all children

that these families were thrown into conflict. Within public schools, many parents were faced with an unpleasant choice: accept that objectionable ideas would be force on their children, or forces their own ideas on everyone else's children by taking control of the system. It was this artificial choice between two evils that led to the Philadelphia Bible Riots, the beatings of Catholic children, the official denigration of immigrant values and lifestyles in public schools and textbooks, and laws—which would today be viewed as utterly unconstitutional—forcing the Protestant Bible on all families. The unparalleled treatment of black families by the government schools, which persisted for over a century, does nothing to lighten this grim picture.³¹

Although none of the original state constitutions of the United States prohibited the use of public funds to assist church-related education, the inclusion or addition of such prohibitions in state constitutions occurred in isolated instances up to the 1850s. The growth of nativist and anti-Catholic sentiments in the country, however, hastened the movement to add such restrictions beginning in the mid-1800s. This served to further place private, religious schools at a competitive disadvantage and force children into government-run schools.

In 1818, Connecticut was the first state expressly to limit its “school fund” to the support of “public” or “common” or “free” schools, but it did not explicitly forbid church-connected schools from being considered as “public” or “common” schools. Rhode Island adopted a similar constitutional amendment in 1843, and Kentucky and Indiana followed suit in 1850 and 1851, respectively.³²

The first laws explicitly to exclude religiously affiliated private schools from sharing in the “public school fund” were amendments introduced into the constitutions of Ohio and Massachusetts in 1851 and 1855, respectively. The impetus behind these laws, however, seems to have been a desire to prevent state educational funds from being diverted to purposes other than general education, rather than a concern with church and state issues.³³

Michigan was the first state, upon its entrance into the Union in 1835, to constitutionally prohibit the use of public funds “for the benefit of religious societies or theological seminaries.” The second state was Wisconsin, which included an identical prohibition in its original constitution of 1848. “Religious society” eventually came to be interpreted strictly to mean a church.³⁴

In 1864, Louisiana banned by constitutional amendment the use of government funds for any private school. The amendment stated that “[n]o appropriation shall be made by the legislature for the support of any private school or institution.” Subsequently, between 1868 and 1900, 14 more states amended their constitutions to prohibit any appropriation of public funds for religiously affiliated private schools, and seven other states adopted amendments limiting the use of school funds to “public” schools only. Many of these provisions—which are commonly referred to as Blaine Amendments, after Speaker of the House James G. Blaine³⁵—were enacted as part of broader constitutional revisions related to Reconstruction in the South after the Civil War. In addition, the original constitutions of all new states admitted to the Union since 1857—except those of Kansas (1859), West Virginia (1863), Nebraska (1866), and Hawaii (1959)—have contained a prohibition against the direct use of public or state funds to aid religious institutions or schools.³⁶

Michigan was the first state, in 1835, constitutionally to prohibit the use of public funds “for the benefit of religious societies or theological seminaries.”

As the United States struggled to unify itself following the Civil War, greater state control of many services that were initially provided through private means became significantly more common. In education, the Prussian model of government-controlled schools spread across the nation as state governments assumed responsibility of funding, operating, and managing schools.

Today, nearly 90 percent of all children are in government-run schools. This monopoly of education tax dollars and schools forces families who desire a religious or nongovernment education for their children to finance two school systems—first through compulsory taxation for government schools they do not use and again through tuition at a private school that is educating their children. The result is a monolithic system that is unresponsive to parental desires and student needs. Observers who understand basic economic principles recognize that the current crisis in education was inevitable once a government monopoly of schooling was established.

Part II: The Crisis in Government Schooling and the School Choice Solution

The Effects of Monopoly in Schooling

In April 1983, the National Commission on Excellence in Education produced its landmark report on government education, *A Nation at Risk: The Imperative for Educational Reform*. The highly critical report expressed the views of the commission's 18-member panel that education in America was in serious trouble and that drastic reforms were necessary to revive the faltering school system.

The report noted that the United States was once unchallenged in its "preeminence in commerce, industry, science, and technological innovation," but that this preeminence had become less and less evident in the late 20th century. The report explained that the causes for America's decline are many, but education is "the one that undergirds American prosperity, security, and civility."³⁷

The commission went on to warn that

If an unfriendly power had attempted to impose on America the mediocre educational performance that exists today, we might well have viewed it as an act of war. As it stands, we have allowed this to happen to ourselves. We have even squandered the gains in achievement made in the wake of the Sputnik challenge. Moreover, we have dismantled essential support systems which helped make those gains possible. We have, in effect, been committing an act of unthinking, unilateral educational disarmament.³⁸

Despite the many reform efforts undertaken since the publication of *A Nation at Risk* nearly 20 years ago, the quality of government education overall has seen little improvement. In fact, the only significant result of the various reform efforts has been greater centralization

"If an unfriendly power had attempted to impose on America the mediocre educational performance that exists today, we might well have viewed it as an act of war."

of government control and skyrocketing increases in education spending. The evidence of a crisis in public education is everywhere.

CONSOLIDATION OF SCHOOL DISTRICTS

In 1940, the United States had over 117,000 school districts with an average of 217 students per district. By 1997, the government school system had consolidated schools into fewer than 15,000 regular school districts with an average of more than 3,000 students enrolled in each district.³⁹

The dramatic reduction of school districts and the increase in student population dilutes the parental influence on their children's education. Whereas smaller districts allowed for greater parental involvement because school board members and school officials were more accessible and had fewer constituents, larger districts have diminished the role of parents and increased the influence of special interest groups. This effect is unavoidable when districts consolidate and become more bureaucratic.

BALLOONING COSTS

Government school officials consistently assert that it is a lack of funding that has prevented schools from being effective. Between 1970 and 1997, however, total revenues for public schools increased from \$44.5 billion to \$305 billion, yet scores on the SAT have dropped by 27 points at the same time.⁴⁰

Government schooling in the United States has become increasingly expensive to taxpayers. In the 1969-70 school year, every man, woman, and child in the United States contributed \$850 (in 1996-97 dollars) to support government schools. By the 1996-97 school year, expenditures grew to \$1,181 per citizen, or more than \$313 billion per year.⁴¹ Some put the expenditures on education at a much higher level. According to research by Merrill Lynch, a global investment firm, the United States annually spends \$740 billion on education, or nearly 10 percent of the nation's gross domestic product. That amount is more than the nation spends on defense and Social Security combined.⁴²

PLUMMETING STUDENT ACHIEVEMENT

The Third International Mathematics and Science Study (TIMSS) was administered to a half-million students from 41 countries in 1995. The results showed that the United States is the only country in which children do worse the longer they stay in school. Of the 21 countries participating in the 12th-grade general knowledge tests of math and science, the United States ranked 19th and 16th, respectively.⁴³ Critics of international tests like TIMSS contend that American students suffer by comparison because other countries educate smaller proportions of their populations and test only "elite" students. But researchers have shown that in all 21 countries, 90 percent or more of teenagers were enrolled in school, which suggests the test is a valid comparison between American students and their foreign counterparts.⁴⁴

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EXPENSIVE NEW OBLIGATIONS

Taxes to support government schools increasingly fund such things as the growing percentage of students with special needs. In many cases, large sums of tax money are consumed by special education programs that once were reserved for children with physical handicaps. However, those labeled mentally retarded have declined by more than 30 percent while speech or language impairments are down 19 percent. What has gone up are the number of students with “specific learning disabilities,” such as behavior problems or other learning impairments. The number of children in this category has increased by 343 percent since 1976. In addition, whereas the average cost per student in regular instruction is approximately \$5,000 per year, the special education student’s costs typically range from \$10,000 to \$25,000 per year and sometimes higher.⁴⁵

UNPREPARED GRADUATES

The failure of students to receive an adequate K-12 education also affects the workplace and college. Public Agenda, a nonprofit think tank, surveyed 250 employers, 250 college professors, 700 teachers, 700 parents, and 700 middle-school students for a 1998 report. A majority of both employers and professors believed that most students leave high school without the most basic of skills. For most skills, only a minority of surveyed professors and employers ranked students as being “fair” or better (see Table 1, below).⁴⁶

Table 1 – Students with Skills Deemed “Fair” or Better by Employers and Professors		
Skill Area	Employers	Professors
Grammar and spelling	23%	23%
Ability to write clearly	27%	19%
Basic math skills	38%	35%
Work habits/being organized and on time	42%	31%
Being motivated and conscientious	44%	40%
Speaking English well	50%	65%
Being curious and interested in new things	52%	49%
Ability to use computers	66%	69%

LACK OF BASIC ACADEMIC SKILLS

A September 2000 study by Dr. Jay P. Greene, a research associate at the Harvard Program on Education Policy and Governance, revealed that Michigan businesses and institutions of higher learning spend more than \$600 million per year to make up for the lack of basic reading, writing, and arithmetic skills among high school graduates and employees. Assuming that other states had comparable experiences, the national cost due to the lack of basic skills is conservatively estimated to be \$16.6 billion each year. The study notes that in addition to these monetary costs, the *human* costs of so many students failing to learn basic skills in K-12 schools are incalculably higher.⁴⁷

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VIOLENCE AND DRUGS IN SCHOOLS

More than 15,000 secondary students in the United States participated in the “Youth Risk Behavior Surveillance–United States, 1999” survey. The study, conducted by the National Centers for Disease Control and Prevention, revealed that

- nearly 1 in 5 students carried guns or knives to school in the 30 days preceding the survey;
- more than 1 in 10 students were involved in a physical fight on school property in the 12 months preceding the survey; and
- nearly one-third of all students surveyed have been offered drugs on school property in the 12 months preceding the survey.⁴⁸

As the problems in government schools continue to mount and reform efforts fail to resolve this crisis in education, citizens are looking for a reform with results.

Three Types of Education Reform

Why have education reform attempts met with so little success? To answer that question, it is useful to take a step backward and examine the nature of the various reforms that have been tried. All reforms designed to improve the quality of education fall into three categories: Those dealing with *rules*, those involving *resources*, and those concerned with *incentives*.

RULES: INCREASED REGULATION HAS NOT IMPROVED GOVERNMENT SCHOOLING

Rules-based reforms include such things as extending school days and the school year, changing teacher certification and school accreditation requirements, imposing national and state testing, enacting stricter dress codes, and the like. Research has shown that these reforms, while causing marginal improvements, have failed to turn around a large-scale decline in education. More drastic city or state “takeovers” of failing schools and districts and legislative proposals such as “Outcome-Based Education,” “Goals 2000,” and other regulatory regimes have been and still are being tried, with the same disappointing results.

A typical, recent example of the kind of futility encountered by rules-based reform efforts came to light in the fall of 1999 when *The Detroit News* released a special report entitled “Grading Metro Detroit Schools.” This report analyzed all 83 school districts in Wayne, Oakland, and Macomb counties based on 12 key educational factors.⁴⁹ The study identified Oakland County’s Birmingham School District as the metro area’s top-performer. Meanwhile, Wayne County’s Inkster Public Schools ranked a poor 76th out of 83 districts.

Yet, the Inkster district had been the focus of one of America’s most common reform efforts: the establishment of “strict” accreditation standards as a way of ensuring academic excellence. *The News* reported that half of all Inkster schools “have met rigorous standards

Nearly one-third of all students surveyed have been offered drugs on school property in the 12 months preceding the survey.

of North Central Association (NCA) accreditation, which examines long-term plans, teacher credentials and other items.” Meanwhile, only 15 percent of Birmingham schools—the top district in the area for academic achievement—had received NCA accreditation. In other words, one of the worst school districts had a higher level of accreditation than the best. The average ACT score among Birmingham students was 24.0 on a 36-point scale, while the average Inkster student scored 15.1.⁵⁰

This is just one of many examples too numerous to list here, in which new or tougher rules and requirements had little or no impact because they failed to deal with the systemic problem in government schools. While additional rules are a politically expedient and popular means of addressing a problem, they have little or no correlation with improved academic achievement.

RESOURCES: MORE MONEY HAS NOT IMPROVED GOVERNMENT SCHOOLING

Another popular means of attempting to improve public education is through resource-based reforms. They include such measures as increased funding, new textbooks, wiring schools for Internet access, renovating or updating school facilities, reducing class sizes (more teachers per pupil), and other measures that require greater financial expenditures.

Scholars have studied the relationship between per-student spending and achievement test scores since the publication of *Equality of Educational Opportunity* (better known as “The Coleman Report”) in 1966.⁵¹ James Coleman, a leading sociologist, concluded that factors such as per-pupil spending and class size do not have a significant impact on student achievement scores.

Economist Erik Hanushek and others have replicated Coleman’s study and even extended it to international studies of student achievement, and the finding of 31 years of research is clear: More money does not equal better education. There are schools, states, and countries (especially the United States) that spend a great deal of money per pupil with poor results, while others spend much less and get much better results.⁵²

Yet, despite this and subsequent findings, many lawmakers and educators continue to believe that additional resources and funding will somehow solve the problems within the government education system. As cited earlier, total revenues for government schools have dramatically increased yet SAT scores dropped by 27 points during the same time period.⁵³

The Kansas City (Missouri) School District provides the perfect illustration of the inefficacy of increasing resources to improve academic and social outcomes. In 1985, a federal judge directed the district to devise a “money-is-no-object” educational plan to improve the education of black students and encourage desegregation. Local and state taxpayers were ordered to fund this experiment.

The result: Kansas City spent more money per pupil, on a cost-of-living adjusted basis, than any of the 280 largest school districts in the United States. The money bought 15 new schools, an Olympic-sized swimming pool with an underwater viewing room, television and animation studios, a 25-acre wildlife sanctuary, a zoo, a robotics lab, field trips to

The finding of 31 years of research is clear: More money does not equal better education.

Mexico and Senegal, and higher teacher salaries. The student-to-teacher ratio was the lowest of any major school district in the nation at 13-to-1. By the time the experiment ended in 1997, costs had mounted to nearly \$2 billion.

Yet, test scores did not rise. And there was even less student integration than before the spending spree, not more.⁵⁴ In May 2000, the Missouri Board of Education officially removed accreditation status from the district for failing to meet any of 11 performance standards. The loss of accreditation means the district has two years to raise test scores, improve graduation rates, and make progress in other areas or face the prospect of a takeover by the state.⁵⁵

While resource allocation and management are very important, changes in these areas have failed to significantly improve the quality of education delivered by government schools.

INCENTIVES: PROPER INCENTIVES CAN ENHANCE EDUCATIONAL QUALITY AND REDUCE COSTS

The third category of educational change is incentive-based reform. Until recently, the potential of proper incentives remained untapped by education reformers. However, charter schools and public “schools-of-choice” programs represent the introduction of incentive-based reforms. These measures are the beginning of replacing the “assignment system”—whereby children are assigned to a particular government school based on the neighborhood in which they live—with school choice, where parents have the right, freedom, and ability to choose the safest and best schools for their children.

Economics professor James R. Rhinehart and professor of education Jackson F. Lee, Jr. describe the results of a school system where incentives are lacking and the “assignment system” is the norm:

The absence of effective incentives on the part of those who consume and those who produce education explains the poor results we get. The consumers of education, the students and parents, have little power to influence what educators do. This feeling of powerlessness often results in apathy and neglect. The producers of education, on the other hand, have few direct incentives to satisfy students and parents. Educators are not consistently or tangibly rewarded or penalized on the basis of how well their students learn. Instead, they are rewarded on the basis of the number of degrees held, and years of teaching experience. Neither of these factors correlates very well with student achievement or satisfaction.

Educational decisions are largely political, and rest primarily in the hands of the state and local departments of education. Everyone from members of boards of education and superintendents to principals and teachers try to satisfy their superiors. Although educational leaders are often aware of community demands, nowhere are they forced to be responsive to the wishes of their student and parent clients. Educators actively try to influence school board members and state and local politicians because these

Unfortunately, the vital role that incentives play in encouraging efficiency and quality has been all but ignored in the government K-12 system.

people have the power to provide pay raises, job security, and better working conditions. Politicians, in turn, appeal to voters and special interest groups in an attempt to get reelected. Students and parents find themselves at the bottom of the hierarchy with little influence and even less clout.⁵⁶

Economists and educators have long identified the inherent problems in the government school system. High costs, lack of choice, low quality, widespread inefficiency, and rampant dissatisfaction are the results of a virtual state monopoly on schooling. These characteristics have been the hallmarks of a highly bureaucratic education system that is unresponsive to the needs and demands of students and parents.⁵⁷

To rectify this undesirable situation, education reformers are increasingly prescribing incentive-based reforms where rules and resources efforts have failed. "What you need is a true competitive situation through the entire industry," said one economist. "All of these efforts at reforming public schools are too little, too late . . . far from sufficient to institute the kind of radical, systemic change that is required."⁵⁸

The inability of rules- and resource-based reforms to significantly improve academic achievement has forced lawmakers, educators, and parents to look at other means of effecting reform. Instead of manipulating the laws or adding more money, policy-makers are introducing competition into the system by empowering parents with choice. This new dynamic compels schools to either improve or risk going out of business. In a limited manner, incentive-based reforms include public school choice through charter schools and public "schools-of-choice" programs, while more expansive programs include choice among private schools, as well as public schools, through vouchers or tuition tax credits.

Proponents of incentive-based reforms argue that just as businesses respond to heightened levels of competition by making better products, schools will respond to competition by delivering higher-quality education. They believe that assigning children to schools based on where they live is like a business monopoly situation, in which consumers in a particular geographical area can buy a product from only one source. The business/school has no incentive to deliver a quality product because no competitor is pushing it to do so.

Advocates of such reforms suggest that just as consumers improve the products they purchase by exercising their judgment of value in choosing one product over another, parents will be able to improve education by applying their own values and priorities in selecting a school. In this way, schools will be supplied with a needed market incentive that would drive continuous quality improvement.

Recent research indicates that incentive-based reforms have had greater success than changing the rules or increasing resources. For example, Harvard economist Caroline Minter Hoxby has found that areas with greater public school choice have higher student test scores and higher graduation rates, but lower per-student spending.⁵⁹

High costs, lack of choice, low quality, widespread inefficiency, and rampant dissatisfaction are the results of a virtual state monopoly on schooling.

In a different study, Hoxby found that competition among private and public schools also benefits public schools. She found that higher rates of private-school enrollment result in higher educational attainment and graduation rates among public-school students and higher teacher salaries among public-school teachers, even after controlling for factors such as area income, family structures, and other variables.⁶⁰

In August 2000, the Mackinac Center for Public Policy released *The Impact of Limited School Choice on Public School Districts*, a report that examined how public school districts in Michigan's largest county are responding to competition from charter schools and the public "schools-of-choice" program, which allows students to attend other public schools in their own and neighboring districts. The evidence demonstrates that limited competition among public schools has resulted in a more customer-oriented focus in Michigan districts.⁶¹

These programs represent incentive-based education reform. Instead of repeating the failed attempts to reform education through new rules or additional resources, these reforms use a market-oriented incentive—competition—to encourage traditional public schools to improve.

Although only a small percentage of public school students are able to take advantage of these options, competition for students among K-12 government schools has improved educational opportunities for children and encouraged schools to respond to the needs and demands of families. For some districts, making parents happy is not just good public relations anymore; it has come to mean survival and prosperity.

How School Choice Works

While neither the charter schools nor public "schools-of-choice" take fullest possible advantage of the opportunities for improvement offered by incentives-based reforms, they are having a substantial impact on the public school system. Contrary to the claims of those who oppose competition in education, there is very little evidence to suggest that competition has harmed the cause of better education for our children.

Although the purpose of incentive-based reforms is to improve the overall quality of education by forcing schools to compete for students, a potentially negative effect of competition is that schools and districts may encounter financial problems or even go out of business. Is this an acceptable outcome of school choice and competition?

To answer this question it is beneficial to observe the private sector of our economy, where choice and competition are the norm rather than the exception. In this arena, businesses fail every day for a variety of reasons. Rarely, however, do they go out of business because they attract too many customers. Most will close because they do not provide a desired product or because other suppliers provide a superior service. Of course other factors may lead to the closure of a business, but the key is that competition offers consumers choices. Choices force a business to please customers or risk losing them to someone who will. As a result, it is ultimately the consumer who benefits from competition among multiple suppliers of a service or product.

The evidence demonstrates that limited competition among public schools has resulted in a more customer-oriented focus in Michigan districts.

Bitter opposition to choice from some quarters has made the policy transition from government bureaucracy to greater parental choice in education a slow one.

In a competitive education marketplace, behavior of consumers and suppliers will be the same as in other markets, with standards perhaps being even higher due to the singular importance most people place on education. Schools that provide high-quality education for children will attract and retain students, while schools that do not will likely lose students. In such an environment, it is reasonable to expect that schools that fail to provide an education (service) that students and parents (consumers) want or value will go out of business. Other schools may close because their service is inferior to that which is provided by other suppliers of education.

In the assignment system, the supplier is sovereign. With school choice, the consumer is sovereign. Allowing parents to choose how, and where their children are educated, while not a panacea, nevertheless will force schools to treat families like customers to be served rather than as a captive audience. No longer will children be trapped in underperforming schools. Instead, they will have increased opportunities to find a better or safer school that meets their individual needs.

The evidence is clear: School choice and competition put pressure on poorly performing districts to improve their academic performance. Students in failing districts already have been largely “left behind” by people who can afford to choose between better government schools and private schools. Choice programs are providing alternative school options to parents who otherwise could not afford them, while forcing districts to respond to student needs and parental desires.

Traditional government schools not only can survive competition; they also can thrive in it. Government schools have considerable advantages, including higher levels of taxpayer support, taxpayer-provided facilities, and funding for transportation and other services. In a more competitive environment, schools of all types will have strong incentives to provide parents and students with what they want and need. No longer will schools be able to provide substandard service to children who cannot escape. Increased competition will force all schools to improve for all children.

Types of School Choice Programs

The school choice concept is taking root in the minds of a growing number of parents, teachers, and policy-makers. But bitter opposition to choice from some quarters of the educational status quo has made the policy transition from centralized government bureaucracy to greater parental choice in education a slow one. Nevertheless, many different school choice programs have begun to blossom around the country, and all of them can be grouped into one of two categories: *limited educational choice* or *full educational choice*.

LIMITED EDUCATIONAL CHOICE

Limited educational choice removes barriers that parents face when choosing among government schools only. Most forms of limited educational choice in the government school sector fall into one of three subcategories: *intra-district choice*, *inter-district choice*, and *charter schools*.⁶²

Intra-District Choice

In an *intra-district* school choice plan, school assignment is not restricted to one particular school within the school district's geographic boundary in which a child resides. Instead, families may choose from among more than one school within the district.

Some form of intra-district choice always has been available in certain school districts throughout the United States. School attendance areas are typically determined by local school boards. Some boards have allowed parents and students considerable discretion in selecting schools outside their attendance areas, though others have been strict in adhering to school attendance zones.

At the very least, most districts allow student transfers for extraordinary reasons at the discretion of the school board or district central administration. Transfer policies, however, should not be confused with intra-district choice.

There are three primary forms of intra-district choice: *magnet schools*, *second-chance schools*, and *open enrollment*.

(A) Magnet Schools

Magnet schools are district-operated schools designed to "attract" a racially diverse student body and, as a result, are predominantly an urban phenomenon, often associated with court-ordered desegregation plans. These schools offer alternatives to the traditional curriculum available within districts and typically share three primary characteristics: (1) a curriculum designed around a specific theme or method of instruction (such as fine arts, math and science, environmental studies); (2) a selected student population and teaching staff; and (3) students drawn from a variety of attendance areas.

Most magnet schools have little difficulty attracting students from within the district, so much so that long waiting lines to attend these schools are common. Admissions procedures for magnet schools vary from district to district. In some cases, it is first-come, first-served; in others, seats are allocated for racial balance; and in still others, a lottery is used. In practice, many magnet schools have procedures for "selecting out" certain categories of students that do not fit into the school's mission.

What distinguishes magnet schools from other categories of intra-district choice is the decision by the district to limit choice to a small number of schools that have additional resources that other schools do not have and that are able to operate with more flexibility than other schools.

(B) Second-Chance Schools

Second-chance schools gained acceptance in the 1960s and were designed for students who, for a variety of reasons, did not function well in traditional schools. These schools typically serve students who have dropped out of school or who are in danger of dropping out due to under-achievement, pregnancy, low skills, or drug or alcohol

Most intra-district choice plans leave intact the existing "neighborhood" school attendance areas; that is, children of families in the school's "attendance zone" are assigned to that school unless their parents choose another school.

dependency. These schools seek to “rescue” students by providing an alternative to traditional schooling.

Second-chance schools differ from traditional educational programs in organizational structure, size, and curricular offerings. Typically, these schools offer open, flexible alternatives to students who are more philosophically comfortable with open learning environments. Good second-chance schools usually have long waiting lists. Like magnet schools, however, interest in these programs has not significantly increased the number of second-chance schools. Therefore, these successful educational programs typically serve a relatively small percentage of the student population.

Although second-chance schools are often thought of as occupying separate facilities, they can and do exist within traditional school buildings. For example, the “school-within-a-school” approach to increase choice within government schools is an important alternative for many children and parents who do not want to leave neighborhood schools.

(C) Open Enrollment

In intra-district *open enrollment*, families may choose to send their children to any school (offering the appropriate grade levels and with available space) located within their resident school district (or a region thereof in larger districts). In practice, most intra-district choice plans leave intact the existing “neighborhood” school attendance areas; that is, children of families in the school’s “attendance zone” are assigned to that school unless their parents choose another school. In addition, students from outside a neighborhood may not displace resident students in neighborhood schools.

The amount of space available for students from outside the attendance area is usually limited because districts continually redraw attendance areas to use available building space efficiently. Rarely do neighborhoods produce exactly the right number of children at each grade level to fill up the schools precisely.

Despite differences in organizational structure, size, curricular offerings, and institutional setting, intra-district schools-of-choice share some common characteristics. Most notably, each continues to operate under the authority and, therefore, control of the district’s central administration. They depend on the district for their operating revenue rather than generating their own revenue based on level of enrollment. Rarely do these schools have control of their own budgets, and thus they are unable to expand their capacity spontaneously in response to greater enrollment demand. This explains why popular government schools-of-choice usually have long waiting lists. In addition, intra-district schools-of-choice are usually subject to the same rules and employee contracts that govern existing neighborhood schools. As a result, they have limited control over such personnel matters as hiring and firing. Therefore, intra-district schools-of-choice are limited in their diversity and responsiveness to parental and student demand by their lack of organizational independence.

School districts that might enroll students from other districts have little incentive to accept students who bring no state aid to their school system, unless the student’s family can afford to pay tuition out-of-pocket.

Inter-District Choice

Inter-district choice typically allows families to send their children to any government school in the resident state or a region therein, subject to the following restrictions: (a) the receiving district agrees to accept nonresident students; (b) available space exists within the receiving district's schools; and (c) the transfer will not adversely affect racial desegregation mandates. In a very few cases, districts are required by the state to accept nonresident students if the districts have space available. Some plans are the result of voluntary compacts between districts apart from any state mandate.

Voluntary compacts between districts, however, are the exceptions: Most school districts are reluctant to waive their claim to per-student state aid for resident students who want to enroll in another district. School districts that might enroll students from other districts have little incentive to accept students who bring no state aid to their school system, unless the student's family can afford to pay tuition out-of-pocket. Therefore, most inter-district open enrollment plans are the result of a state legislative mandate that, in effect, allows a per-pupil share of state aid to follow students from the resident district to a non-resident district of their choice.

In some states, inter-district choice has been used to facilitate voluntary desegregation between two or more districts by offering unique and special-focus schools to attract children from both urban and suburban settings. Inter-district choice also has been used to give parents and children attending government schools greater flexibility in choosing educational programs. Frequently, small towns and rural communities have only one school at the middle and high school levels, so inter-district choice enables parents to expand their educational options to neighboring communities.

Inter-district choice is usually complicated by the fact that school districts spend different amounts per student and have different mixes of local and state tax revenue. In most states, local government revenues cannot be appropriated by the state legislature for state purposes or transferred to other governmental districts without local voter approval. As a result, state revenues are the only source of revenue for participating inter-district choice schools. The greater the reliance by a state on local tax revenues to fund government-run schools, the more difficult it is to implement inter-district choice, for taxpayers within a particular district are understandably reluctant to absorb most of the educational costs of nonresident students. Even in states that heavily subsidize local districts with state revenues, the amount of state subsidy often varies greatly among districts. In such states, high-spending districts—which are most often the subject of choice by nonresident students—are reluctant to accept any amount of state aid less than their per-pupil cost without charging additional tuition.

Charter Schools

Charter schools are new kinds of government schools that operate as schools-of-choice. Unlike traditional government schools, no students are assigned to charter schools on the basis of the neighborhoods in which they live. Charter schools rely solely on voluntary choice for their enrollment. Charter schools receive government funding based upon the number of students they are able to attract, not based on local property taxes or

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other revenue streams. If charter schools do not attract students, they do not receive funding. Minnesota passed the nation's first charter school law in 1991; and by 2000, thirty-six states and the District of Columbia had adopted charter laws. However, only 2 percent of all public schools are all charter schools serving approximately 1 percent of all students.⁶³

In general, charter schools can be defined simply as government-sponsored autonomous schools, substantially deregulated and free of *direct* administrative control by the government. The essential idea behind charter schools is to grant educational professionals and others greater freedom to create and operate their own schools in exchange for their agreement to be held accountable for their performance. Charter schools are designed to provide educators greater managerial freedom than that which is enjoyed in district-sponsored schools-of-choice and to give parents a much greater choice among government schools.

In their most uncompromised form, charter schools operate as independent government schools with control of their own budgets and staffing. Non-educators as well as educators can create them, or they can be conversions of existing government or private schools. They are authorized via a charter by governmental authorities such as school districts, public universities, or the state board of education.

A charter is, in effect, a performance-based contract: If the school does not perform up to the academic standards outlined in its charter, the charter can be revoked by the authorizing governmental body. Generally, these standards are at least as stringent as those that apply to all district-operated government schools.

Charter schools are typically exempt from some rules and regulations that apply to district-operated schools, not including those pertaining to health and safety, public accountability, and nondiscrimination. Generally, however, charter schools cannot be selective in their admissions policies beyond any means used by traditional government schools.

Charter schools generally receive no government funding for start-up expenses or for their physical facilities, nor can they charge tuition. As a result, charter schools must raise voluntary private resources to establish themselves.

Charter schools have been described as government schools "operating in a private school environment." Charter schools have similarities to private schools, such as their level of autonomy and their incentives to satisfy parents and attract students. But they depend on government for their funding and their legal authorization.

FULL EDUCATIONAL CHOICE

Full educational choice removes barriers that parents face when choosing among all schools, including private ones. The most significant barrier is usually tuition. All taxpaying parents must pay for government schools through their taxes, so parents who choose for their children tuition-charging private schools in effect must pay twice for education. This financial penalty prohibits many parents from being able to afford a private school-of-choice for their children.

Full educational choice programs seek to offset this financial penalty to parents in whole or in part. (The majority of full choice plans currently operating around the country provide only a fraction of the amount of money available to government schools, but parents clamor even for the opportunity to receive assistance as low as \$500.)

The majority of full educational choice programs fit into one of four categories: *vouchers, private scholarships, tax credits, and universal tuition tax credits.*

Vouchers

*Vouchers*⁶⁴ are simply direct payments from the government to individuals to enable them to purchase a particular good or service—in this case, education—in the open market. Food stamps are a well-known example of vouchers.

Vouchers have been proposed as a means of advancing parental school choice in several states, but those states and cities that have successfully implemented government-funded scholarships have encountered legal challenges from opponents. Many of these battles have been settled favorably for school choice advocates.

Payment of a government-funded voucher may be accomplished in any number of ways: directly to the parent, who then pays the school; pre-payment in advance of services rendered; redeemable certificates distributed to parents and “cashed” by the school; or in the form of a two-party check to be endorsed by both the parent and the school.

Vouchers can be issued to cover all educational expenses or one or more categories thereof, such as tuition, transportation, special education, etc. The value of the voucher may be adjusted according to such criteria as household income, student grade level, or educational considerations. The revenue source for vouchers may be the existing tax bases for government schools or a new or reconfigured tax base. Most existing voucher plans entail a shift toward a single statewide revenue source to create greater equity.

Common examples of voucher plans operating today include scholarships for higher education, such as Pell grants, and food stamps, which enable recipients to use government funds to purchase food at a grocery store of their choice. Vouchers are distinguished from direct government provision of services because voucher recipients choose which service to patronize.

Voucher proposals may differ both in philosophy and method, but generally fall into one of three broad subcategories: *free-market (universal unregulated) vouchers, egalitarian (regulated compensatory) vouchers, and mixed (hybrid) vouchers.* Implicit and explicit in each of these three major voucher systems is the idea that private schools would or could participate in the plans, but would not be required to do so.

(A) Free-Market (Universal Unregulated) Voucher

In his influential book *Capitalism and Freedom*, Nobel laureate economist Milton Friedman argues that education is best left to the private sector because private education is

All taxpaying parents must pay for government schools through their taxes, so parents who choose for their children tuition-charging private schools in effect must pay twice for education.

better organized, more efficient, of higher quality, and more likely to be consistent with the preferences of consumers rather than with the prejudices of providers.⁶⁵ He recognizes, however, that not all families can afford private education, and he does not deny the government a role in financing educational opportunity. Accordingly, Friedman argues that government should maximize all citizens' access to quality private education by providing *free-market*, or *universal unregulated*, vouchers of minimal but equal value to all parents of school-aged children. Under this plan, current government-run schools also would be converted to privately run schools.

Friedman explains that competition and consumer choice, not bureaucratic control, are the best way to assure quality education. While allowing for some minimal regulation—health and safety requirements, for example—Friedman would permit schools to accept or reject whomever they like, hire and fire freely, offer the curriculum they think best, select the textbooks they think most sensible, and charge whatever amount they think appropriate (or that the market will bear) without governmental interference.

According to Friedman's model, any child who could provide evidence of enrollment in a school that satisfies state compulsory attendance laws would be eligible for a government voucher. Other proposed forms of universal unregulated vouchers would abolish state compulsory attendance laws altogether and would pay the voucher upon evidence of satisfactory educational performance as measured by test results.

(B) Egalitarian (Regulated Compensatory) Voucher

The *egalitarian*, or *regulated compensatory*, voucher system differs from the free-market variety in that it accepts regulation as a positive good that helps meet the needs of disadvantaged students.

For example, this type of voucher does not permit open enrollment: If a school is popular and overenrolled, seats are assigned by lot. Participating schools would not be permitted to charge more than the value of the voucher. Insofar as poor children participate, they would be awarded a "compensatory" voucher in addition to the basic voucher that is issued to cover the cost of core education. Compensatory vouchers have two objectives: (1) to provide more resources for children in need, and (2) to make poor children more attractive to schools and teachers by providing them with greater funds.

(C) Mixed (Hybrid) Voucher

The broad category of *mixed*, or *hybrid*, vouchers includes all models that combine various elements of the free-market and egalitarian voucher systems. In the interests of political compromise, most voucher proponents in the United States have settled on some variation of the mixed voucher model. Typically, a mixed model preserves the current distinction between government and private schools, accepts a moderate amount of regulation of private schools, and builds in regulatory safeguards against socioeconomic discrimination.

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Researchers John Coons and Stephen Sugarman propose a mixed voucher plan that includes many components of the egalitarian model. For example, Coons and Sugarman would not allow participating schools to charge tuition in addition to the voucher (though they would allow schools to raise additional funding). They also would require schools to set aside a certain percentage of their enrollment for low-income and minority students. On the other hand, Coons and Sugarman's plan would limit regulation of private schools to that level currently deemed sufficient and would establish a new category of deregulated government schools in addition to the current regulated government schools.⁶⁶

By contrast, a plan proposed by two other researchers, John Chubb and Terry Moe, favors many components of the free-market model. While preserving the distinction between government and private schools, Chubb and Moe's model would substantially deregulate all existing government schools, allowing them to function as autonomously as do private schools. Chubb and Moe also would eliminate government schools' current guaranteed funding base, making them solely dependent on voucher revenues. All schools would make their own admissions decisions, subject only to nondiscrimination requirements, and government would refrain from imposing any strictures or rules that specify how authority is to be exercised within the school. On the egalitarian side, Chubb and Moe's proposal would not allow families to supplement their voucher payment with personal funds, and they would establish tax-funded "parent information centers" to assure equal access to consumer information about schools.⁶⁷

The most notable voucher programs in the nation are in Vermont, Maine, Ohio (Cleveland), Wisconsin (Milwaukee), and Florida. These programs provide parents with greater educational opportunities; however, provisions that include private, religious school choice have been contested in the courts.

Vermont's voucher program evolved as a result of the state's sparse population, which could not financially support government schools in every community. To meet the demands of parents in small towns, the state pays the tuition expenses of approximately \$6,000 for a child to attend any government or nonsectarian private school of his choice. Vermont's program even extends to students attending schools outside the state.

This voucher tradition dates back to 1869 and has ensured that both urban and rural Vermont school children face fewer financial barriers when choosing the safest and best secondary schools. Although the initial voucher statute did not distinguish between religious and secular schools, a court ruling in 1961 banned religious schools from receiving state-funded vouchers. Citizens and the school board of Chittenden Town School District in central Vermont challenged the 1961 decision and demanded that full parental choice be restored once again. In June 1999, the Vermont Supreme Court unanimously upheld the earlier decisions, ruling that the 130-year-old voucher statute excluded the use of public funds for religious schools.⁶⁸ The case was appealed to the U.S. Supreme Court in October 1999, but the court declined to hear the case, thereby allowing the lower court's ruling to stand.

Maine's voucher system is similar to Vermont's, but it predates the nation's founding. In 1981, the state attorney general decided that the voucher program excluded religiously affiliated schools from receiving vouchers in towns that had government-operated high schools. In June 1999, the U.S. Court of Appeals for the First Circuit upheld an earlier

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Maine Supreme Court decision that ruled that the state's voucher law must discriminate against religious schools based on the First Amendment's Establishment Clause. The U.S. Supreme Court declined to review this case in October 1999.⁶⁹

In Cleveland, vouchers worth up to \$2,500 allow 3,000 at-risk children to attend the secular or religious private schools of their parents' choosing. In May 1997, the state appeals court ruled that the voucher law violated federal and state constitutional bans on government aid to religious institutions. Nevertheless, the Ohio Legislature allocated the program \$15 million for the next two years, expanding the program to 1,000 additional kindergartners and allowing third-graders in the program to continue attending private schools for the fourth grade.

The court's decision came in the wake of studies that demonstrated the academic accomplishment of students and increased satisfaction of parents in the Cleveland program. The Ohio Supreme Court then ruled favorably (for choice proponents) on five of six constitutional challenges, striking down the program on one technical issue. The court explicitly stated that the program did not breach the separation of church and state, so legislators went back to work and drafted a two-year, \$17 million extension of the program in June 1999.⁷⁰ But less than two months later, a federal judge ruled that the Cleveland program was unconstitutional. This ruling was upheld by the U.S. Court of Appeals in December 2000, setting the stage for a voucher case that the U.S. Supreme Court may finally review.

After Vermont and Maine, Milwaukee has the longest-running voucher program, but it also has faced similar court battles. In 1998, approximately 1,650 students used vouchers worth roughly \$4,400 each (or about one-half of the state per-pupil expenditure for Milwaukee) to attend participating nonsectarian schools. Originally, the plan's proponents also included religious schools, but court injunctions kept eligible students from using vouchers to enroll in them. As a result of documented academic performance, Wisconsin legislators expanded the school choice budget, giving additional Milwaukee students the benefit of choosing alternative schools, including those that are religiously affiliated.

Milwaukee's voucher plan was launched in response to poorly performing city schools. In 1998, Superintendent of Milwaukee Public Schools Alan Brown suggested that contrary to public opinion, there was no crisis in his system. Yet results from statewide tests released just four days before both the Supreme Court hearing and Brown's proclamation revealed that fewer than 10 percent of Milwaukee's eighth- and tenth-graders ranked "proficient" in math and language. In June 1998, the Wisconsin Supreme Court ruled in favor of the inclusion of religious schools in *Jackson v. Benson*.⁷¹ On November 9, 1998, the U.S. Supreme Court voted 8-1 to let the Wisconsin court decision stand.⁷²

In mid-1999, Governor Jeb Bush of Florida signed into law a bill that will grade individual government schools on a traditional "A" to "F" scale. High-performing schools will receive from the state financial incentives of up to \$100 per student, while students in failing schools would be provided with state vouchers worth up to \$4,000 each to choose an alternative school.⁷³ The program was ruled constitutional by the Florida 1st District Court of Appeals in October 2000, after being ruled unconstitutional earlier in the year.

Private Scholarships

Private scholarships offer parents the opportunity to choose the best school for their children through tuition assistance from private sources rather than from government. Most private scholarships offered around the nation cover only a portion of private school tuition costs. Nevertheless, parents are lining up to receive what some might consider meager tuition assistance.

In 1991, the privately funded Educational Choice Charitable Trust began to offer tuition assistance to low-income families in Indianapolis. In the 1998-99 school year, more than 30 programs affiliated with the Children's Educational Opportunity Foundation (also known as CEO America) offered private scholarships for over 13,000 low-income students to attend their schools of choice. More than \$61 million was raised by CEO America to fund these scholarships, but the unfortunate fact is that over 44,000 students are on waiting lists in hopes of receiving one of the scholarships.⁷⁴

Philanthropist Virginia Gilder started a private scholarship program with \$1 million to bail children out of Albany, New York's worst-performing school, Giffen Elementary. Over 100 of the 458 children at Giffen accepted Gilder's scholarships, which pay up to 90 percent (capped at \$2,000 per year) of the cost of attending a private or parochial school for a minimum of three years and a maximum of six. Those who took advantage of Gilder's generosity included the child of Giffen's PTA president.

Albany school officials reacted to the exodus of students by making major changes in the Giffen school, including the replacement of the principal, two assistants, and more than 12 teachers. Gilder's private scholarship clearly demonstrated the ability of incentive reforms to improve government education.⁷⁵

In New York City, the privately funded School Choice Scholarship Fund invested \$6 million in 2,500 student scholarships in 1997 (1,000 more than the previous year). Students from the city's 14 lowest-performing districts were permitted to attend their schools-of-choice, while 20,000 more awaited the opportunity. All of the students who were eligible to receive the \$1,400 scholarship qualified for the federal free-lunch program. A study conducted by Paul Peterson of Harvard University and David Myers of Mathematica Policy Research reported that about 95 percent of the students being assisted by the scholarship are black or Hispanic and that the average income of the beneficiaries is just over \$9,500.⁷⁶

Similarly, in 1998, the Washington, D.C.-based Washington Scholarship Fund provided 1,000 low-income students with scholarships to attend the schools of their choice. When the fund announced its scholarships, over 7,500 students—10 percent of the children enrolled in Washington's government schools—applied for them.⁷⁷

By March 31, 1999, the nationally focused Children's Scholarship Fund (CSF) had received 1.25 million applications from over 22,000 communities from all 50 states for its \$1,000, four-year scholarships. Though the average income of the applicant families was under \$22,000 a year, they were willing to make significant financial sacrifices if they received only a partial scholarship. Ted Forstmann, co-chairman and CEO of CSF, remarked, "Think of it: 1.25 million applicants asking to pay \$1,000 a year over four years.

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***— Philanthropist
Ted Forstmann***

That's \$5 billion that poor families were willing to spend simply to escape the schools where their children have been relegated and to secure a decent education."⁷⁸

Low-income families in Milwaukee have benefited from the largest private scholarship program to date. In 1998, approximately 4,500 scholarships were awarded by the city's most prominent businesses and foundations through Partners Advancing Values in Education (PAVE).

PAVE provides scholarships equivalent to half of the tuition at any K-12 private or parochial school in Milwaukee. As affluent parents have been for years, low-income parents in Milwaukee are now empowered to choose the school best suited for their children's needs. PAVE scholarships are awarded on a first-come, first-served basis to low-income families in search of educational choice.

Students using PAVE scholarships, collectively worth over \$4.1 million, attend more than 112 private elementary and secondary schools in the Milwaukee area as of the 1997-98 school year. Parents are satisfied with the opportunity to choose alternative schools for their children, and a survey revealed that 75 percent of PAVE's scholarship graduates—all low-income students—continued with post-secondary education.⁷⁹

Tax Credits

Tax credits are designed to provide parents with tax relief linked to expenses incurred in selecting an alternative government or private school for their children. A tax credit is a dollar-for-dollar reduction in taxes owed, whereas a tax deduction is merely a reduction in taxable income. For example, if a taxpayer has a pre-credit tax liability of \$2,000 and a tuition tax credit of \$1,500, the taxpayer would pay a tax of only \$500.

Tax credits are typically applied against only state and/or federal income taxes, but property tax credits have been proposed as well. For the purposes of school choice, tax credits might be allowed for any or all out-of-pocket educational expenses incurred by an individual, from tuition to textbooks to transportation to extracurricular fees—though tuition is the most common expense allowed in practice. Private schools usually charge tuition and/or fees, and government schools often charge tuition to nonresident students and fees for extracurricular activities. These expenditures are also creditable items under many tax credit proposals.

Many proponents of educational tax credits prefer them to vouchers on the grounds that they entail less government regulation of private schools and less risk of entanglement between church and state because of their indirect nature. (Credits, unlike vouchers, do not transfer any money from the state to a school or taxpayer.) A strong case can be made that tax credits limit governmental interference in education by allowing families to retain enough of their personal income to afford to choose safer and better schools for their children.

The popularity of tax credits among parents has exploded throughout the country in recent years. K-12 tuition tax credits have passed state legislatures including Arizona, Minnesota, Iowa, and Illinois.

As affluent parents have been for years, low-income parents in Milwaukee are now empowered to choose the school best suited for their children's needs.

Arizona expanded parental school choice in 1998 to include tax credits for donations to both private scholarship programs and government schools. Former Gov. Fife Symington signed into law a bill in April 1997 granting an income tax credit of up to \$500 for people who donate to nonprofit groups that distribute private scholarships to needy students. The law also offers taxpayers a credit of up to \$200 for money given to government schools to support extracurricular activities. The Arizona Education Association, Arizona School Boards Association, and the American Federation of Teachers filed lawsuits against the law with the Arizona State Supreme Court. In January 1999, the court upheld the constitutionality of the credit.⁸⁰

Arizona currently has 31 organizations that distribute scholarships; some of them distribute scholarships based on income, while others let donors earmark funds for particular children (taxpayers, however, cannot contribute to their own children).⁸¹ In 1999, more than 30,000 people contributed nearly \$14 million, which helped nearly 7,000 low-income students attend private schools.⁸²

Also in 1997, former Minnesota Gov. Arne Carlson fought hard to expand his state's tax credit program. Families with an income of \$33,500 and below now can claim a tax credit for any educational purpose (such as tuition, transportation, books, etc.) up to \$1,000 per child, but limited to \$2,000 per family. The plan also eliminates the state's 40-charter-school cap and mandates that the \$350 million in compensatory aid contained in the bill follow students to schools, rather than being spent at the district level. Gov. Carlson projected that over 900,000 children would benefit under his plan.⁸³

Opponents of educational tax credits, including some egalitarian-inclined supporters of vouchers, argue that they do not help low-income families who pay little if any income tax. In light of this criticism, a tax credit plan could be crafted to provide low-income families with the same opportunity that vouchers offer, while giving back to parents the primary responsibility for the education of their children. One way this can be accomplished is by making tuition payments refundable for those with a tax liability that is less than their education expenditures. Another way to overcome this objection to tax credits is the universal tuition tax credit.

Universal Tuition Tax Credits

Although both vouchers and traditional tuition tax credits could be used to eliminate the problem of forcing parents of private school students to bear the full cost of both tuition and school taxes, both proposals have disadvantages. Vouchers, for example, are subject to allegations that they drain funds from government schools, permit state funds to be used to support religious schools, will spawn a new type of entitlement program, and invite over-regulation of private schools. Traditional tuition tax credits—whereby only *parents* are allowed to receive a tax credit—address some of the problems with vouchers, but fail to help low-income and many middle-income families who lack enough tax liability to benefit from a tax credit.

To address these problems, the Mackinac Center for Public Policy developed a new approach to expand parental choice in Michigan by formulating and proposing in 1997 the *universal tuition tax credit* (UTTC).⁸⁴

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The UTTC proposal allows any taxpayer—individual or corporate, parent or grandparent, friend, neighbor, or business—to contribute to the education of any Michigan elementary or secondary child and receive a dollar-for-dollar tax credit against taxes owed.

The UTTC saves the state money and provides more per-pupil funding for government education. This is accomplished by limiting the credit to one-half the amount that the government allots each school per-pupil. For example, in the 1998-99 school year, the average state per-pupil allocation in Michigan was approximately \$5,800. The maximum tax credit allowed under the UTTC proposal therefore would be \$2,900. If a student transfers from a government school to a private alternative, the state need no longer spend the \$5,800 to educate the child, but instead forgoes at most only \$2,900 through the tax credit, producing a net savings for the state of \$2,900.

Since the average tuition cost at private schools is roughly half of the government school per-pupil allocation, the amount of the tax credit provides enough incentive for parents to consider sending their children to an alternative school.

The UTTC avoids many of the problems associated with both vouchers and traditional tax credits and was designed to have wide political appeal and practical application. School choice advocacy groups and state legislatures around the nation are adapting the UTTC concept for ballot initiatives and legislative proposals in their own states.

Part III: Barriers to Education Reform

The proposition that parents have the primary right and responsibility to direct the educational development of their children is now the most significant topic of the national education reform debate. However, before expanded school choice becomes the norm rather than the exception, three barriers to education reform must be overcome.

Constitutional and Statutory Barriers to School Choice

Although none of the original state constitutions of the United States prohibited the use of public funds to assist church-related education, the inclusion or addition of such prohibitions in state constitutions occurred beginning in the mid-1800s. This served to further place religious and other private schools at a competitive disadvantage and force children into government-run schools.

Nearly 40 states amended their constitutions to prohibit any appropriation of public funds for religiously affiliated private schools, while other states adopted amendments limiting the use of school funds to “public” schools only. In 1970, Michigan’s constitution became the most restrictive in the nation in the limits it placed on school choice opportunities.

The notion that parents have the primary right and responsibility to direct their children’s education may seem unassailable. But the issue of school choice has created deep divisions among parents, policy-makers, educators, and groups representing school employees.

Article VIII, Section 2 of the 1963 Michigan Constitution states:

No public monies or property shall be appropriated or paid or any public credit utilized, by the legislature or any other political subdivision or agency of the state directly or indirectly to aid or maintain any private, denominational or other nonpublic, pre-elementary, elementary, or secondary school. No payment, credit, tax benefit, exemption or deductions, tuition voucher, subsidy, grant or loan of public monies or property shall be provided, directly or indirectly, to support the attendance of any student or the employment of any person at any such nonpublic school or at any location or institution where instruction is offered in whole or in part to such nonpublic school students.

The U.S. Constitution does not appear to be an impediment to expanded school choice. U.S. Supreme Court decisions have consistently supported parents' right to direct the education of their children. The court has consistently defended the right and responsibility of parents to direct the education of their children in such decisions as *Pierce v. Society of Sisters* (1925). In this decision striking down Oregon's attempt to ban private schools, the Court ruled that

the fundamental theory of liberty upon which all governments in this Union repose excludes any general power of the state to standardize its children by forcing them to accept instruction from public teachers only. The child is not the mere creature of the state; those who nurture him and direct his destiny have the right, coupled with the high duty, to recognize and prepare him for additional obligations.⁸⁵

Other Supreme Court decisions affirming parental rights include *Wisconsin v. Yoder* (1972),⁸⁶ *Wolman v. Walter* (1977),⁸⁷ and *Mueller v. Allen* (1983).⁸⁸

In June 1998, the Wisconsin Supreme Court ruled in *Jackson v. Benson* that parental school choice via taxpayer-funded vouchers was constitutional.⁸⁹ The U.S. Supreme Court later let stand the Wisconsin court's decision by voting 8-1 not to review the case. The contested voucher program now provides up to 15,000 poor Milwaukee students with a \$4,000 state voucher to attend private religious schools. This ruling is most notable because of Wisconsin's strict laws on church-state separation.

Before children can be given greater school choice, many state constitutions must be amended. This, however, is no easy task, particularly given the political barriers to school choice.

Political Barriers to School Choice

Political barriers exist because public schools are government entities. In such an environment, the most politically engaged special interest groups are able to exert the most influence over the government-run system. In most states, it is school employee labor unions (such as the National Education Association, the American Federation of Teachers, and their

Competition ensures that all schools are ultimately accountable to those who matter most—parents and students.

state and local affiliates) that are the primary beneficiaries of the current monopoly system. They are the most active opponents of school choice because when families are empowered to choose nongovernment schools, the unions lose money. To union leaders, maintaining the current education monopoly is critical for the political and financial well-being of their organizations. It is in the unions' self-interest for parents not to be given the ability to choose the best and safest schools for their children.

In addition to school employee labor unions, opponents of school choice include government school associations, teachers and other unionized school employees, and politicians. Each is discussed below.

SCHOOL EMPLOYEE LABOR UNIONS

Polls show that school choice is popular with the majority of education "consumers," but it is not favored by school employee labor unions, whose financial support comes from compulsory union dues paid by education "producers." Numerically, all choice advocates may be superior to their opponents, but the unions are well funded and organized. Among the most ardent adversaries of parental school choice are the National Education Association (NEA) and the American Federation of Teachers (AFT), who have fought against virtually every choice reform.

Why do unions oppose a reform that is popular with parents and teachers? A June 1999 study by the Mackinac Center for Public Policy, *The Impact of School Choice on School Employee Labor Unions*, found that unions have strong financial and political incentives to do so.⁹⁰ The study showed that although 100 percent of traditional government school teachers are unionized, the Michigan Education Association and Michigan Federation of Teachers have met with little success in organizing charter and private school teachers. The implications are that if more students migrate, under a school choice plan, to non-unionized schools, teaching jobs will be created in schools in which teachers are resistant to joining or paying dues to a labor union. Such a scenario would represent a potential loss of tens of millions of dollars and a concomitant decrease in unions' political influence.

Unions oppose school choice not only with pointed rhetoric, but also by spending large sums of money on lobbying, supporting political candidates, and aggressively campaigning for and against ballot initiatives and referenda. According to analyses of Federal Election Commission records by the Washington-based Center for Responsive Politics, the NEA and AFT ranked among the 25 top spenders, in terms of candidate contributions in the 2000 election cycle, out of some 4,000 political action committees. The AFT's political action committee spent a total of \$1.05 million between January 1999 and June 2000—with all but \$11,000 going to Democrats. Similar contributions were made by the NEA, which spent more than \$1.1 million through August 2000 with all but \$40,000 going to Democratic candidates. In the summer of 2000, the NEA also increased dues by \$5 for each of its 2.5 million members for political action purposes. This raised more than \$8 million, 60 percent of which was designated to help fight school choice initiatives in Michigan and California and other ballot issues.⁹¹

Unions and the public school system as a whole represent a formidable obstacle due to their sheer size and political power. For example, Michigan's system of government K-12

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schools has 190,000 employees, \$12.5 billion in revenue, a \$700 million (annual revenue) union/conglomerate funded with compulsory union dues and school health insurance premiums, 4,200 elected officials, and 500 state regulators.⁹²

GOVERNMENT SCHOOL ASSOCIATIONS

Government school associations include groups made up of principals, superintendents, administrators, school board members, and other organizations that have allied themselves with those who have an institutional stake in the government's near-monopoly on education. National and state associations for school boards, school administrators, principals, school business officials, support personnel, and many others, all staunchly oppose expanded school choice for parents.

The defeat of Michigan's voucher proposal in 2000 revealed how far some of these associations will go to defeat choice measures. In an anti-voucher publication of the Michigan Association of School Boards, school districts were urged to, "Find out what citizens fear about vouchers and develop a few key messages to confirm those fears." The report further encouraged districts to, "Use negative and repetitive messages Once a negative message is developed, it should be simplified and repeated over and over."⁹³

TEACHERS AND OTHER UNIONIZED SCHOOL EMPLOYEES

Teachers who perceive school choice as either a threat to their jobs or believe it will harm government schools oppose major changes to the current financial and political structure of school systems. Despite the fact that government school teachers are more likely to send their children to private schools than is the general public,⁹⁴ some government school teachers, through their unions, can be expected to play a prominent role in opposing any ballot or legislative initiative to expand school choice.

Although school employees may campaign off school property on their own time, tax-funded school facilities, equipment and personnel are regularly used in activities that exceed the permissible distribution of factual information. For instance, in Michigan, school employees were caught illegally distributing anti-school choice yard signs, window signs and brochures; distributing political e-mail; holding anti-school choice meetings, and otherwise using taxpayer dollars to fight a measure that a substantial number of taxpayers support.⁹⁵

POLITICIANS

A number of politicians—state and national—owe their positions to the verbal support and financial backing of school employee labor unions and are therefore more inclined to support the unions' position on school choice. In the 2000 election cycle, union-backed gubernatorial candidates won 9 of 11 races and nearly doubled their support in the U.S. House of Representatives. The NEA focused on 27 congressional districts and provided each of their Democratic candidates with a full-time NEA staff member to help coordinate volunteers for the ranks of union locals. According to the Federal Elections Commission, the

School districts were urged to, "Find out what citizens fear about vouchers and develop a few key messages to confirm those fears."

NEA spent more than \$1 million in the first 18 days of October 2000 alone on phone calls, e-mail, and direct mail efforts in support of presidential candidate Al Gore.⁹⁶

Knowledge Barriers to School Choice

The knowledge barriers that exist are the lack of understanding of how and why school choice works. The often-rancorous debate over school choice has led to the creation and propagation of a number of myths regarding expanded educational freedom and its effects on students, teachers, and the government school system as a whole. For many, especially those who oppose school choice, these myths unfortunately have become the “conventional wisdom.”

Following is a list of 13 of the most common of these myths, along with the facts that reveal them to be distorted, misleading, or just outright false characterizations of school choice. In addition, questions to ask and challenge choice opponents are provided. Advocates, activists, and debaters should weave these facts into their public and private arguments to help dispel these myths and explain the benefits of educational choice and competition for students, parents, teachers, and the community as a whole.

MYTH #1: SCHOOL CHOICE WILL LEAD TO THE SOCIAL, RACIAL, AND ECONOMIC STRATIFICATION OF STUDENTS IN AMERICAN SCHOOLS.

The idea that the current government school system is a “melting pot” of students from diverse backgrounds and that school choice will somehow disrupt it is false. Government schools in fact rarely represent a broad cross-section of the American population, and there is little or no evidence to suggest that schools-of-choice are or will be any less diverse than their government counterparts.

THE FACTS:

- **Public schools are the most segregated schools in America.** The current system—whereby government assigns students to schools based on the neighborhoods in which they live—already has created a stratified school environment. Government schools are stratified by race and income because, as sociologist James Coleman discovered in his research, students are assigned to schools according to where they live.⁹⁷ Government schools therefore ensure stratification of students because districts are drawn geographically and neighborhoods are typically organized around socioeconomic factors. School choice removes or reduces the importance of geographic and political boundaries, thereby encouraging greater social, racial, and economic integration of students.
- **Private schools are racially, economically, and socially diversified.** Many inner-city private schools already reflect greater diversity than their government counterparts because their student bodies are not determined by arbitrary political boundaries, but rather by parents of every background seeking the best education for their children. Researchers Jay P. Greene and Nicole Mellow of the University of Texas at Austin

School choice removes or reduces the importance of geographic and political boundaries, thereby encouraging greater social, racial, and economic integration of students.

found that “private schools tend to offer a more racially integrated environment than do public schools.” In their study, *Integration Where it Counts: A Study of Racial Integration in Public and Private School Lunchrooms*, Greene and Mellow argue that one of the primary reasons for this fact is that public schools tend to replicate the segregation found in their attendance areas while private schools tend to draw from a variety of neighborhoods.⁹⁸

MYTH #2: SCHOOL CHOICE VIOLATES THE SEPARATION OF CHURCH AND STATE.

School choice is about providing children with the best education available, not supporting one school or religion over another. The current government school system compels religious citizens to support schools that often do not reflect their values and beliefs. School choice will allow parents to exercise their right and responsibility to direct the educational development of their children according to their own values, whether religious or secular.

THE FACTS:

- **The “separation of church and state” has changing interpretations.** The phrase “separation of church and state” does not exist in any founding document of the United States, but was part of a letter that Thomas Jefferson wrote in 1802 to the Danbury Baptist Association in Danbury, Conn. The Baptists had expressed concerns that the U.S. government might attempt to establish a state church. Jefferson wrote to assuage their fear, stating that the First Amendment had built “a wall of separation between church and state” that prevented the government from establishing a church. Later Supreme Court cases expounded on Jefferson’s letter without citing the context of his statement. It was not until the 1947 U.S. Supreme Court decision in *Everson v. Board of Education* that the phrase “separation of church and state” developed its present-day interpretation, the effects of which have been the virtual removal of religion from public life.⁹⁹
- **Supreme Court decisions have consistently supported parents’ right to direct the education of their children.** The U.S. Supreme Court has consistently defended the right and responsibility of parents to direct the education of their children in such decisions as *Pierce v. Society of Sisters* (1925). In this decision striking down Oregon’s attempt to ban private schools, the Court ruled that

the fundamental theory of liberty upon which all governments in this Union repose excludes any general power of the state to standardize its children by forcing them to accept instruction from public teachers only. The child is not the mere creature of the state; those who nurture him and direct his destiny have the right, coupled with the high duty, to recognize and prepare him for additional obligations.¹⁰⁰

Other Supreme Court decisions affirming parental rights include *Wisconsin v. Yoder* (1972)¹⁰¹ and *Wolman v. Walter* (1977).¹⁰²

The current government school system compels religious citizens to support schools that often do not reflect their values and beliefs.

The U.S. Supreme Court and state Supreme Courts have declared that school choice does not violate the Establishment Clause of the First Amendment.

- **The U.S. Supreme Court and state Supreme Courts have declared that school choice does not violate the Establishment Clause of the First Amendment.** In *Mueller v. Allen*, the U.S. Supreme Court enunciated clearly the constitutionality of Minnesota's tax deduction for the costs of schooling, including private and religious education.¹⁰³ In *Luthens v. Bair*, a U.S. District Court concluded that the Iowa tax deduction/tax credit was fully constitutional because "benefits . . . go to the parents of schoolchildren rather than to the schools" and ". . . the nature of the aid is clearly benign in terms of Establishment Clause concerns."¹⁰⁴

In June 1998, the Wisconsin Supreme Court ruled in *Jackson v. Benson* that parental school choice via taxpayer-funded vouchers was constitutional.¹⁰⁵ The U.S. Supreme Court later let stand the Wisconsin court's decision by voting 8-1 not to review the case. The contested voucher program now provides up to 15,000 poor Milwaukee students with a \$4,000 state voucher to attend private religious schools. This ruling is most notable because of Wisconsin's strict laws on church-state separation.

In 1999, the Arizona Supreme Court upheld a \$500 per year per family tuition tax credit payable to non-profit, tax exempt school tuition organizations in *Kotterman v. Killian*. The court concluded that the tax credit statute violated neither the U.S. nor the Arizona constitution. The Arizona court opined, "According to Black's Law Dictionary, 'public money' is '[r]evenue received from federal state, and local governments from taxes, fees, fines, etc.'" Black's Law Dictionary 1005 (6th ed. 1990). As respondents note, however, no money ever enters the state's control as a result of this tax credit. Nothing is deposited in the state treasury or other accounts under the management or possession of governmental agencies or public officials. Thus, under any common understanding of the words, we are not here dealing with 'public money.'"¹⁰⁶

In April 2000, the Illinois tax credit, which allows families to take a credit against state income taxes for 25 percent of expenses incurred on behalf of K-12 students at public and private schools, up to a maximum of \$500 per family, was declared fully constitutional by Judge Thomas Appleton of the 7th Judicial Circuit Court. "Money is not public until it belongs to the state," Appleton wrote. "As taxes unpaid by taxpayers cannot be found to be money rightfully belonging to the state, any of that money which is used to pay for a child's parochial education is not public money, hence public support does not exist."¹⁰⁷

- **Other well established, government-funded voucher programs are constitutional.** Food stamps and Medicaid are examples of voucher programs through which recipients can use government money at the grocery stores or hospitals of their choice. Likewise, "public" money already flows to private and religious colleges and universities through various government loans and grants. And veterans of World War II used the G.I. Bill to attend colleges of their choice—including religious institutions—and the federal government paid the tuition.

MYTH #3: PRIVATE SCHOOLS ARE UNACCOUNTABLE TO THE PUBLIC.

Competition ensures that all schools are ultimately accountable to those who matter most—parents and students. Parents who have choices in education can “vote with their feet” by sending their children to another, better school when their current one is not serving their children’s needs. Private schools are also subject to many of the same regulations as are government schools and are routinely held to the same or higher standards of performance than are the government schools.

THE FACTS:

- **Public schools lack *real* accountability.** Many people, particularly policy-makers, confuse rules and regulations with accountability. While it is true that public schools must adhere to many laws, this fact has failed to make schools answerable to the public. As long as children are unable to escape a school system that is failing to meet their needs, real accountability will never exist in the public schools. Giving parents choices in how and where their children are educated creates a level of accountability that no law will ever generate. It is this fundamental component that prevents public schools from being truly accountable to taxpayers, parents, and children.
- **Schools that answer to parents, not politicians, are most accountable.** In general, parents have their children’s best interests in mind more so than does the government or even a caring teacher. Under the current system, parents lack control and influence over the education of their children. With choice, parents have the opportunity to remove their children from a poorly performing or otherwise unsatisfactory school and to place them in other schools. Schools that fail to respond to parental concerns will constantly face the prospect of losing students to other schools that do.
- **Private schools already comply with essential government regulations.** There is no basis in educational experience or research to suggest that regulation creates better schools; even so, private schools already provide essential fire and safety protection, observe compulsory attendance requirements, and cover core mandated subjects such as history, English, math, and science.
- **Private schools are accredited by the same agencies that accredit government schools.** Private schools are at least as accountable as government schools by the government’s own measurements of accountability. According to Charles O’Malley, executive director of the National Council for Private School Accreditation, approximately 96 percent of all private school students attend schools that are accredited or evaluated by national, regional, or state private organizations. The result is that the vast majority of private schools are able to meet government school accreditation requirements.¹⁰⁸

Giving parents choices in how and where their children are educated creates a level of accountability that no law will ever generate.

MYTH #4: SCHOOL CHOICE ALLOWS ONLY PRIVATE SCHOOLS TO DO THE CHOOSING, NOT PARENTS.

This argument assumes two things: First, that private schools discriminate more in selecting students than do government schools and second, that government schools are open to all students. But neither of these assumptions is necessarily true. Government schools do not accept every student, and many private schools in fact accept a wide range of students. In addition, parents empowered with choice can select from all types of schools, private or government. Choice provides children with more educational opportunities, not less.

Students who are falling through the cracks in the public school system—not the “cream of the crop”—are most likely to seek alternative educational opportunities.

THE FACTS:

- **The current government assignment system already makes choices for parents.** Government schools generally accept only those students who live in their districts. Wealthy suburban areas, for example, do not accept poor minority students from the inner city. Some government schools—particularly so-called “magnet schools”—routinely screen students based on academic ability or whether or not they live in the “right” district.
- **Private schools are not characterized by exclusivity.** Fr. Timothy O’Brien of Marquette University conducted a study of 63 elementary parochial schools and found that no more than one student each had been expelled in 61 percent of the surveyed schools. The study also discovered that more children with academic and disciplinary problems were transferred from government schools to Catholic schools than the other way around.¹⁰⁹ Although some private schools are exclusive, either by high tuition or selective entrance standards, the same can be said of government schools that enroll students only from exclusive or wealthy neighborhoods within their “districts” and reject students from other neighborhoods on the “wrong side” of a district boundary.
- **School choice does not “cream” the best students from the public schools and leave the worst behind.** The experience of charter schools and publicly funded voucher programs demonstrates that students who are behind or not being served in their assigned public school are the ones most likely to exercise choice, not the “best” students. John Witte, an evaluator of the Milwaukee Parental Choice Program, found that students who used publicly funded vouchers to attend private schools were “significantly below the average MPS [Milwaukee Public Schools] student” taking similar tests.¹¹⁰ In short, students who are falling through the cracks in the public school system—not the “cream of the crop”—are most likely to seek alternative educational opportunities. Why would the “best” students want to leave a school that is already serving their needs?
- **School choice provides greater opportunity for all parents and children.** School choice allows *all* parents to select the best schools for their children, not just the wealthy parents that can afford to move to better districts or pay tuition at an alternative school. Under the current system, the one-school-fits-all approach precludes equal opportunity and greater options for the majority of children. Greater school choice will allow poor parents the same choices already available to wealthier parents. Choice allows parents to select from a variety of schools—if one school does not work, there are others that may.

MYTH #5: PARENTS WILL USE THE WRONG CRITERIA TO CHOOSE SCHOOLS, OR THEY WILL MAKE BAD DECISIONS FOR THEIR CHILDREN.

Implicit in this argument are the assumptions that parents—particularly poor and minority parents—are not smart enough to know what is best for their children, and that government will make better school selection choices than parents. Common sense and experience, however, tell us that most parents in fact do make good decisions with their children's best interests in mind. Some parents may make poor decisions, but this is no argument for denying choice to everyone.

THE FACTS:

- **The right to make poor choices is legal.** Some people make poor decisions in many areas of life: They choose to eat poor food, watch poor television programs, drive poor cars, and enter into poor relationships. But no one argues that this is an excuse for government to make these decisions for everyone. The right of people to make poor choices in a free society is the same right that allows people to make good choices. Freedom does not come without inherent risks, but freedom is certainly better than being forced to accept the poor choices of others.
- **Minority and lower-income parents can be trusted to make good choices.** Opponents of school choice often presume that minority and lower-income parents do not know the difference between good and bad schools and therefore often will choose bad schools. This condescending assumption ignores the evidence that poor or uneducated parents are just as capable as higher-income, better-educated parents of distinguishing between good and bad schools. The problem is that poor parents are rarely given the opportunity to do so. But when they have the opportunity and are given full information about the choices open to them, they choose well.¹¹¹

The Children's Scholarship Fund (CSF), a private organization that offers financial assistance to lower-income students, received over 1.25 million applicants for its four-year, \$1,000 student scholarships. The average income of applying families was under \$22,000 per year, showing that parents are willing to make significant financial sacrifices even for scholarships that pay only part of their children's tuition. CSF CEO and Co-Chairman Ted Forstmann remarked, "Think of it: 1.25 million applicants asking to pay \$1,000 a year over four years. That's \$5 billion that poor families were willing to spend simply to escape the schools where their children have been relegated and to secure a decent education."¹¹²

- **Parents, who understand their children's needs best, should determine the criteria by which to judge schools.** School choice has been criticized because some parents may decide that a school with an emphasis on team sports is better for their child than one that excels in, say, science. Others may disagree with such criteria for choosing a school, but the disapproval of others is no reason to deny all parents the right to make their own choices.

Opponents of school choice often presume that minority and lower-income parents do not know the difference between good and bad schools and therefore often will choose bad schools.

Critics often argue that school choice will allow “just anybody” to establish a school, leading to schools that are fraudulent or dedicated to radical ideologies. But choice at the college level has not resulted in an excess of fraudulent or radical schools.

- **Information will help parents choose the best school.** Competition among schools will cause an information market to arise. Schools themselves will generate informational material, appealing to parents on the basis of positive features their particular school has to offer and educating parents in the process. Many schools—even government schools—already promote themselves with marketing and advertising campaigns. Parents will have help determining which school will best serve their children’s needs, just as consumers today have help (in the form of *Consumer Reports* and similar publications) understanding which automotive repair shop, restaurant, or grocery store best serves their needs.

MYTH #6: SCHOOL CHOICE WILL ENCOURAGE THE CREATION OF RADICAL OR FRAUDULENT SCHOOLS.

Critics of school choice often argue that choice will allow “just anybody” to establish a school, leading to a proliferation of schools that are fraudulent or dedicated to radical ideologies. There is no evidence to support this claim. Choice at the college level has not resulted in an excess of fraudulent or radical schools. Additionally, the U.S. Constitution protects even radical ideologies, while laws against fraud and violence protect consumers from criminal activity.

THE FACTS:

- **The First Amendment protects freedom of choice.** The same argument against “radical” or fraudulent schools could be used against the freedoms of speech and press: “If we allow anybody to start a newspaper, somebody might print a bad one,” or, “If we let anybody give a speech, somebody might say something we don’t agree with.” The protection of freedom embodied in the U.S. Constitution defends the right of people to make good choices as well as bad ones and to hold popular views as well as unpopular ones.
- **Laws against discrimination and fraud already exist.** Laws against discrimination, corruption, fraud, and other illegal activities protect consumers in other industries. They would apply to education as well.
- **Competition will increase accountability and discourage the creation of radical and fraudulent schools.** Substandard, “radical,” or fraudulent schools could not thrive under a free market in education because parents would have the choice to send their children to other schools. Parents who voluntarily give their money to a school in return for a good education will do so only as long as they are provided with an adequate product or service. It is true that when freedom abounds, the opportunity for abuse exists. However, the key is choice: Many parents may accept what they believe is a substandard education for their children because they have no practical alternatives to their local government school.

MYTH #7: SCHOOL CHOICE WILL BANKRUPT THE ALREADY UNDERFUNDED GOVERNMENT SCHOOLS.

Government schools are a high priority in every state's budget, sometimes receiving more than half of the money taken in taxes. School choice will not de-fund education, but rather will make it more financially efficient and responsible with the generous resources it already receives.

THE FACTS:

- **Education in the United States has become increasingly expensive to taxpayers.** In the 1969-70 school year, every man, woman, and child in the United States contributed less than \$0.20 to support government schools. In the 1996-97 school year, they contributed more than \$1,150 to the support of government schools.¹¹³ Some put the expenditures on education at a much higher level. According to research by Merrill Lynch, a global investment firm, the United States annually spends \$740 billion on education, or nearly 10 percent of the nation's gross domestic product. That amount is more than the nation spends on defense and Social Security combined.¹¹⁴

- **More money fails to improve academic achievement.** Between 1970 and 1997, total revenues for public schools increased from \$44.5 billion to over \$305 billion. Yet scores on the SAT, a college entrance exam, have dropped by 27 points at the same time.¹¹⁵

In 1985, a federal judge directed the Kansas City, Mo., school district to devise a "money-is-no-object" educational plan to improve the education of black students and encourage desegregation. Local and state taxpayers were ordered to pay for it. The result: Kansas City spent more money per pupil, on a cost-of-living adjusted basis, than any other of the 280 largest school districts in the United States. The money bought 15 new schools, an Olympic-sized swimming pool with an underwater viewing room, television and animated studios, a 25-acre wildlife sanctuary, a zoo, a robotics lab, field trips to Mexico and Senegal, and higher teachers' salaries. The student-to-teacher ratio was the lowest of any major school district in the nation at 13 to 1. By the time the experiment ended in 1997, however, costs mounted to nearly \$2 billion, test scores did not rise, and there was less student integration rather than more.¹¹⁶

- **Expected student population growth may bankrupt government education if alternatives are not devised.** The projected growth in the student population across the nation over the next 10 years will be financially significant. Either the market will bear the burden of providing more schools, or taxes will have to be increased to meet the expansion needs of more schools, teachers, administrators, and support staff involved in government education.¹¹⁷
- **Government schools have many opportunities to be more efficient.** Government schools could save money by privatizing support services such as janitorial, food, and transportation services. Competitive contracting can provide schools with the kind of expertise, flexibility, and cost efficiencies not always available with in-house service provision. Any savings in support services can be used to provide additional resources

Between 1970 and 1997, total revenues for public schools increased from \$44.5 billion to over \$305 billion. Yet scores on the SAT have dropped by 27 points at the same time.

for the classroom. Properly designed and monitored, contracts between government schools and private providers can help school administrators do more with less.¹¹⁸

- **School choice likely will reduce bureaucracy and centralization.** As researcher John E. Chubb explains, “There is every reason to believe that the administrative structure of schools under school choice would be less bureaucratized than today’s public school system, and look more like private educational systems, where competition compels decentralization and administrative savings.”¹¹⁹ Most choice plans actually would reduce overhead administrative expenditures and increase the availability of more public money.¹²⁰ An analysis of government schools in New York City found that they have about 240 times the number of administrators as do local Catholic schools, but only 4 times as many pupils.¹²¹ Competition will reduce the waste that exists in the current system.
- **A carefully crafted school choice plan will save the state money and provide higher per-pupil government school funding.** The Mackinac Center for Public Policy’s Universal Tuition Tax Credit is a school choice plan that will produce significant savings to the state and the government school system. With the maximum credit limited to 50 percent of the per-pupil government school revenues, every student who transfers to an alternative school produces a net saving to the state of at least half of the per-pupil revenue to the state. For example, in the 1998-99 school year, the average foundation grant was approximately \$5,800. The maximum tax credit therefore would have been \$2,900. If a student transferred to an alternative school, the state must no longer spend the \$5,800 and at most forgoes \$2,900 through the tax credit, producing a minimum net saving of \$2,900.¹²²

MYTH #8: SCHOOL CHOICE DOES NOT IMPROVE EDUCATION.

Parents who are able to make active choices in the education of their children report greater satisfaction with their children’s academic achievement, and studies have shown a positive correlation between parental involvement and student performance. Likewise, competition among schools has led to improvements in school curricula and greater responsiveness to parents and students as schools begin treating them as customers.

THE FACTS:

- **Parental participation and satisfaction is most important.** John Witte conducted a definitive evaluation of the Milwaukee Parental Choice Program and reported that in “all five years, parental satisfaction with choice schools increased significantly.” Witte was able to conclude from his research that “the overwhelming conclusion is that choice parents are significantly more involved in the education of their children” than are government school parents in Milwaukee.¹²³
- **School choice has improved academic performance for many students.** School voucher programs, publicly and privately funded, have demonstrated success among their students, according to many studies.¹²⁴

An analysis of New York City’s government schools found that they have about 240 times the number of administrators as do local Catholic schools, but only 4 times as many pupils.

- **Limited school choice through charter schools continues to be popular, particularly among the most needy families.** Charter schools remain popular with parents, students, and teachers. Although more than 2,000 of these schools were created between 1991 and 2000, many charter schools have waiting lists ranging from 200 to 1,000 students. The average waiting list is 141 students, or nearly 60 percent of the average charter school's enrollment.¹²⁵ These "new" schools have created educational opportunities for children that previously did not exist.
- **Competition encourages improvement in all schools.** When two large charter schools opened in the mid-Michigan area in the 1996-97 school year, the Lansing School District "lost" over 700 students to these government schools-of-choice. As a result, the district began to implement new programs and launched an advertising campaign to tout its new and improved offerings. The exercise of choice by less than 5 percent of the district's student population generated better programs for the over 17,000 students who remained in the traditional government schools.¹²⁶ A study of schools in Wayne County, Mich., revealed that rather than harming the cause of better education, competition among public schools has resulted in a more customer-oriented focus in some districts.¹²⁷ Ultimately, children benefit when public schools compete.

MYTH #9: SCHOOL CHOICE IS JUST A TAX BREAK FOR THE RICH.

This argument fails to recognize the fact that wealthier families already exercise school choice: They move to a "good" public school district or they can afford to pay for their children's education twice—once in taxes for the government schools they do not use and again in tuition for the alternative schools they do use. Low-income families want school choice more than the wealthy for simple reasons. Poor students are often assigned to worse government schools than students from wealthy neighborhoods, and poor families do not have the means to exercise other options. Easing the financial penalties imposed on parents who want more options allows everyone—wealthy or poor—to exercise the basic right of school choice.

THE FACTS:

- **The wealthy choose public schools for their children.** According to the U.S. Bureau of the Census, 81 percent of families with incomes over \$75,000 choose public schools for their children, while only 32 percent of private school families earn such incomes.¹²⁸ The reality is that the wealthy already have school choice—and they choose public schools far more often than private schools.
- **Minorities and poor families want school choice, too.** Thousands of children whose parents pay little or no taxes are on waiting lists for private schools and scholarships. According to a survey conducted by Michigan State University, citizens with household incomes under \$19,000 per year are the most likely to favor charter schools (73.3 percent) and scholarships paid for with "public" money (66.4 percent). In addition, Michigan residents who are black or live in an urban community favor greater school choice more than any ethnic group or region of the state.¹²⁹

According to a survey conducted by Michigan State University, citizens with household incomes under \$19,000 per year are the most likely to favor charter schools and scholarships paid for with "public" money.

The point is not whether choice is “necessary” or not: The point is that it is everyone’s right to choose. The needs of individual parents and students come before the maintenance of a system that, by many accounts, is not performing well for everyone.

- **Inner-city parents want school choice more than anyone else.** A September 1997 poll conducted by the Lansing firm Marketing Resource Group found that 64 percent of the 600 Michigan citizens surveyed supported full parental school choice. The percentage increased in the larger cities—75 percent of Detroit residents surveyed favor school choice.¹³⁰ A February 1999 poll by the *Detroit Free Press* of 502 Detroit voters revealed that large majorities favor vouchers (65 percent) and tuition tax credits (77 percent).¹³¹
- **School choice is a civil right.** According to the Council of Baptist Pastors of Detroit and Vicinity, “Choice is a civil right, as basic as democracy, because it lets families vote with their feet on the best school for their child. Poor families want the same dignity that wealthy families have long enjoyed: the ability to obtain a quality education for their child, even if they have to go to an independent school to get it. It is an injustice that our present system denies our children an equal opportunity for a quality education and our democracy is paying the price.”¹³²

MYTH #10: SCHOOL CHOICE IS UNNECESSARY—GOVERNMENT EDUCATION IS DOING WELL AND IMPROVING.

The underlying assumption in this argument seems to be that so long as *some* people are satisfied with a monopoly, *all* people should be stuck with it. The same logic might have an East German commissar saying, before the fall of the Berlin Wall, “Only some people would leave if we took down the Wall, so why should we take it down?” The point is not whether choice is “necessary” or not; the point is that it is everyone’s right to choose. The needs of individual parents and students come before the maintenance of a system that, by many accounts, is not performing well for everyone.

THE FACTS:

- **Can government education really improve on its own?** According to Albert Shanker, former president of the American Federation of Teachers union, “It’s time to admit that public education operates like a planned economy, a bureaucratic system in which everybody’s role is spelled out in advance and there are few incentives for innovation and productivity. It’s no surprise that our school system doesn’t improve: It more resembles the communist economy than our own market economy.”¹³³ The worldwide failure of planned economies supports Shanker’s contention that systemic change is needed.
- **U.S. students are outperformed in international comparisons.** In the Third International Mathematics and Sciences Study (TIMSS), American high school seniors ranked 16th out of 21 industrialized nations in general science knowledge, 19th in general math skills, and last in physics. William H. Schmidt, an education professor at Michigan State University, remarked, “Put in terms of report card grades, the American seniors earned a D-minus or an F in math and science.”¹³⁴

- **Students are failing to learn basic skills.** Since 1983, over 10 million students in the U.S. have reached the 12th grade without the ability to read at a basic level, while over 20 million are unable to do basic math.¹³⁵ In 1995, nearly 30 percent of first-time college freshmen enrolled in at least one remedial education course and 80 percent of all public four-year universities offered remedial coursework.¹³⁶ A 1998 Public Agenda survey revealed that 76 percent of college professors and 63 percent of employers believe that “a high school diploma is no guarantee that the typical student has learned the basics.”¹³⁷ A September 2000 study revealed that businesses and institutions of higher learning in Michigan spend more than \$600 million per year to accommodate for the lack of basic reading, writing, and arithmetic skills among high school graduates and employees. Assuming that other states had comparable experiences, the national cost due to the lack of basic skills is approximately \$16.6 billion each year.

MYTH #11: SCHOOL CHOICE IS JUST AN ANTI-TEACHER PLOY.

The “anti-teacher” argument against school choice seems to assume that the government school system is nothing more than a big jobs program with education ranking second in importance. School choice makes the education of children the top priority by allowing parents to choose the best school for their children. There is nothing inherently “anti-teacher” about choice: Many government school teachers themselves choose to place their children in private schools. As long as demand for education exists, there will always be jobs for teachers.¹³⁸

THE FACTS:

- **More choices for parents also mean more choices for teachers.** Today, if a teacher believes he or she is underpaid, overburdened by red tape, not respected as a professional, or otherwise treated poorly by administrators, the only real option is to leave town and move to another school district. This is because the same employer, the school district, operates nearly all the schools in the area.¹³⁹ When parents are allowed to choose, schools not only will have to compete for students, they will have to compete for teachers, too. As a result, there will be increased pressure on school administrators to treat teachers well or risk losing them to other schools.
- **Teachers who work in schools-of-choice are more satisfied.** According to a July 1996 report from the U.S. Department of Education, 36.2 percent of private school teachers were “highly satisfied” at work, while only 11.2 percent of government school teachers could say the same thing.¹⁴⁰ In a separate study done by the Washington, D.C.-based Hudson Institute, only 2 percent of 920 private school teachers surveyed said they would be willing to leave their current job for a higher-paying job in the local urban government school system. Most private school teachers experience a higher job satisfaction rate than do government school teachers because they have more freedom to teach, student discipline is greater, they enjoy a more collegial work atmosphere, and parental involvement is higher.¹⁴¹

There is nothing inherently “anti-teacher” about school choice. As long as demand for education exists, there will always be jobs for teachers.

Over 100,000 students attend private schools with public money. Students with serious emotional disturbance account for 40 percent of the students enrolled in these private schools, according to one study.

- **Many teachers support and exercise school choice for their children.** A 1995 study of the census found that significant numbers of teachers choose private schools for their children. Whereas only 13 percent of all families in the United States choose private schools for their children, 17 percent of all school teachers make that choice for their children. In urban areas, like Detroit, the statistics are more dramatic: 33 percent of government school teachers choose private schools, but only 17 percent of all families do so.¹⁴²
- **Labor unions that argue against school choice do not necessarily represent the interests of either children or education.** Perhaps the strongest reason for unions to oppose school choice is their financial self-interest. Unions stand to lose millions of dollars of dues income as school choice grows. Why? In many states, one hundred percent of government schools are unionized, but only a few charter schools and even fewer private schools are unionized.¹⁴³ If enrollment increases at schools in which unions have been unable to gain a foothold, that will create more teaching jobs in nonunion schools where teachers are not forced to financially support a union. The purpose of school employee labor unions is to bargain wages and terms and conditions of employment for its dues-paying members. It is a mistake to assume that the best interests of labor unions are necessarily the same as those of parents and students.

MYTH #12: SCHOOL CHOICE REFORMS DO NOT ADDRESS THE NEEDS OF SOME FAMILIES FOR TRANSPORTATION OR SPECIAL EDUCATION.

This argument again assumes that *everyone* should be denied the right to choose because only *some* might not be able to get exactly what they want in a school. School choice does not create a Utopia, but it does respect the rights of *all* families, including those with special education needs, to seek the best education for their children. There is also no reason to believe that competing schools will not be able to fill demand for important services: Private schools already serve many students with special needs.

THE FACTS:

- **School choice most likely will reduce transportation costs.** The best government schools tend to be in wealthier districts that are expensive to live in, and if out-of-district parents want to send their children to these schools (if they are even allowed), the cost of transporting them there may be high. School choice will reduce the cost to parents of sending their children to the best schools because residence will no longer be a strong determining factor in school quality. Schools that excel will be rewarded with more enrollment—wherever they are located. As choice expands, schools able to meet local families' needs will spring up in more communities, thus lessening the need for long commutes. In addition, there is no reason to believe that schools would not be willing to provide their own bus service if it proves important enough for parents.
- **Transportation is a minor barrier compared to the cost of tuition or of buying a home in the "right" school district.** A poll of 502 Detroit parents with children in government schools why they did not enroll their children in a private or charter school-of-choice. Only 11 percent of all respondents cited lack of transportation as the primary

barrier, but 43 percent said the expense of tuition was the chief reason. When asked which was the greater concern for them, tuition costs or transportation, 100 percent said tuition costs.¹⁴⁴

- **Private schools already are serving special education students.** In fact, public schools turn away many children with severe disabilities and behavioral problems and place them in private institutions. According to the U.S. Department of Education, over 100,000 students attend private schools with public money. Students with serious emotional disturbance account for 40 percent of the students enrolled in these private schools, according to one study.¹⁴⁵ There is no reason to believe that private schools would not continue to serve these and other special-needs students in an increasing number under a school choice program.

MYTH #13: PRIVATE SCHOOLS WILL NOT BE ABLE TO ACCOMMODATE THE INFLUX OF NEW STUDENTS UNDER A SCHOOL CHOICE PLAN.

School choice opponents often contradict themselves by arguing on one hand that the government school system is doing well and on the other hand that parents who are allowed choices in education will pull their children out of the government system in droves. But the reality is different: Private schools currently have the capacity to handle many more students, and there is every reason to believe that market incentives will cause successful schools constantly to expand to accommodate new demand.

THE FACTS:

- **Private schools have space for more students.** Few private schools maintain large quantities of unused space. However, a survey of private schools in Michigan revealed that the schools had classroom seats for more than 55,000 additional students in the 1998-99 school year.¹⁴⁶ An economic analysis of the Universal Tuition Tax Credit school choice plan estimates that 33,000 students would switch from government to private schools in the first year of the plan.¹⁴⁷ With more than 1,050 private schools already operating in Michigan, reasonable projections show more than enough room to accommodate new students from families choosing private schools. Moreover, private schools report that they are ready and willing to expand to meet increased demand.¹⁴⁸
- **Market incentives will spur schools to meet demand.** The laws of supply and demand work in education exactly as they do in other enterprises. The likely result of freeing the education market is that enough schools would spring up to satisfy the number of the students. As education author Sheldon Richman has written, "We cannot predict in any detail what would arise in a free market in education. But we do know that over the past decade, computer and telecommunications technology has changed in a way highly relevant to education. Today people have on their desks—or in their briefcases—computing power that only a few years ago none but the largest companies could afford. The price continues to fall The possibilities are endless. It's all the product of the free market, human intelligence, and sand (from which are made silicon chips and fiber optic cables)."¹⁴⁹

The laws of supply and demand work in education exactly as they do in other enterprises. The likely result of freeing the education market is that enough schools would spring up to satisfy the number of the students.

- **A good school choice plan can account for any lack of available school space.** A carefully crafted school choice plan such as the Universal Tuition Tax Credit (UTTC) will account for any lack of space in private schools. The UTTC involves a nine-year implementation period that allows for the gradual expansion and creation of new high-performing schools. As parents become increasingly empowered to make true choices about the education of their children, the market will fill the demand for more and better education alternatives.¹⁵⁰

Part IV: Sustaining School Choice Victories

As discussed previously, many individuals and organizations have powerful financial and political incentives to maintain the status quo in education and oppose the removal of barriers to parents' ability to choose the safest and best schools for their children. Any increase in schooling options for children must be sustained by proponents of expanded school choice.

Five Strategies to Preserve and Advance School Choice

The Milwaukee Parental Choice Program has survived over a decade of assaults from its opponents due primarily to the efforts of a strong school choice coalition. In *How School Choice Almost Died in Wisconsin*,¹⁵¹ Susan Mitchell, president of the American Education Reform Council and senior fellow at the Wisconsin Policy Research Institute, emphasizes that passing legislation or a ballot initiative does not insure school choice success. She notes that victory for choice proponents at the ballot box or in the legislature is only the beginning of a new phase of the school choice debate.

Mitchell's report is important to school choice advocates because Milwaukee represents the oldest testing ground for maintaining school choice. She identifies choice opponents' three-pronged approach to block or hinder school choice and how to overcome them. First, organized opponents of school choice will attempt to use legislation to defeat school choice. If that fails, they will use the courts to stop school choice. Finally, as a last resort, they will attempt to overregulate the private schools who participate in the school choice program.

In order to overcome opponents' efforts to defeat or neutralize a school choice program, Mitchell recommends five strategies:¹⁵²

STRATEGY #1: EXPECT OPPONENTS TO ATTEMPT TO REGULATE SCHOOL CHOICE AT EVERY STAGE OF THE BATTLE.

Opponents of school choice understand that increased regulation will discourage private schools from participating in choice programs. They will propose additional regulation not to improve the program or resolve problems, but to end or contain it. The experience in Wisconsin demonstrates that opponents will use this tactic with "fierce persistence."¹⁵³

Victory for school choice proponents at the ballot box or in the legislature is only the beginning of a new phase of the choice debate.

STRATEGY #2: COUNTER OPPONENTS' EFFORTS WITH A STRONG, VIGILANT, AND UNIFIED SCHOOL CHOICE COALITION.

Opponents of school choice are interest groups with special interests to protect. School choice advocates must organize themselves to monitor legislative and administrative developments, seek sound legal advice, and respond aggressively to threats to school choice.

STRATEGY #3: BEWARE OF PROPOSALS PURPORTING TO IMPROVE "ACCOUNTABILITY."

Do not confuse rules and regulations with accountability. Public schools lack effective accountability despite being heavily regulated. School choice provides the highest form of accountability. When parents are unhappy with their children's education, they can take their children to a school that better serves their needs.

STRATEGY #4: FIGHT MISINFORMATION AGGRESSIVELY.

Opponents of school choice often influence legislators, the courts, and public opinion with misinformation and half-truths. They understand that they can defeat pro-school choice legislation (or sponsor anti-choice legislation), block choice in the courts, or regulate an existing choice program if they can create a climate of confusion or fear. School choice supporters must always respond with accurate, credible information.

STRATEGY #5: SUPPORT WELL DESIGNED LEGISLATION AND OPPOSE POORLY DESIGNED LEGISLATION.

Opponents of school choice understand how to use the legislative process to bolster or protect their interests. Many legislators owe their elected position to the support of these special interest groups. This fact provides opponents with the ability to advance legislation that can hinder or destroy a school choice program.

School choice supporters must remain vigilant in their efforts to prevent poorly designed legislation. Failure to do so will complicate any school choice program.

Conclusion: Restoring a Free Market in Education

Perhaps more than at any time in their nation's history, Americans today are frustrated with the poor performance, increasing expense, and lack of improvement in their government-run public schools. The signs of that frustration are everywhere. Opinion polls reveal that education is a top voter concern during election seasons. Surveys show that large majorities of parents—regardless of their political beliefs—support more K-12 alternatives for their children. Thousands of families are on waiting lists to get their children into charter schools. Applicants for even partial private school scholarships number in the millions, and over a million more students are now being taught at home.

Opponents of school choice often influence legislators, the courts, and public opinion with misinformation and half-truths.

Yet despite this widespread dissatisfaction, nearly 90 percent of American K-12 students still attend the same government schools that so many parents believe are substandard. The reason for this seeming contradiction lies in the fact that too many families are denied real *choices* in education—the same kinds of choices they have in nearly every other area of life, from what kind of car they drive to the food they eat to the color and style of their clothing. What parents are demanding in ever-growing numbers is *school choice*.

School choice—the right, freedom, and ability of parents to choose for their children the safest and best schools—is not a new idea. Early Americans enjoyed complete freedom in education: There were no barriers, either political or financial, to prevent parents from choosing the schools they believed best met their children's needs. Until the mid-19th century, education was largely a private matter among families, who selected from a wide range of specialized schools. Universal government schooling as it is known today simply did not exist.

Did leaving families free to make their own educational arrangements result in an uneducated populace? Far from it. The literacy rates of the mid-1800s were as high as 97 percent. Today, more than 20 percent of American adults are illiterate.¹⁵⁴ Great Americans including George Washington, Thomas Jefferson, Patrick Henry, James Madison, John Quincy Adams, and Benjamin Franklin were schooled privately at home for most of their educational years.¹⁵⁵ Of the 117 men who signed the Declaration of Independence, the Articles of Confederation, and the Constitution, only 1 out of 3 had as much as a few months of formal schooling, and only 1 out of 4 had even gone to college.¹⁵⁶

Restoring a free market in education is a practical as well as a moral imperative. The repeated failure of government school reforms based solely on rules and resources—state testing and increased funding, for example—demonstrates the need for incentive-based reforms such as school choice to improve the quality of education.

Consumer choice is the engine for a market economy in all goods and services, and the competition engendered by choice results in superior products and lower costs. Parental choice in education will improve all schools, government and private, by providing them with powerful incentives to treat families as customers rather than as captive audiences. The resulting competition for students will help schools be more accountable to their customers, leading to lower costs and improved quality.

Parents currently enjoy limited educational choice from among a range of K-12 government schools, and evidence suggests that even this small dose of competition within the government system has encouraged schools to innovate and improve. Full educational choice in the form of vouchers or tax credits to help parents—especially lower- and middle-income ones—offset the cost of sending their children to private schools would result in increased competition and even more dramatic improvements.

The benefits of school choice are clear. Parents have the right and responsibility to direct the education of their children. Removing the financial and political barriers that prevent families from choosing the safest and best schools will unleash the creative power of educators to act in a free society to improve education for all students.

Great Americans including George Washington, Thomas Jefferson, Patrick Henry, James Madison, John Quincy Adams, and Benjamin Franklin were schooled privately at home for most of their educational years.

Appendix A: Glossary of Education-Related Terms

Charter school. Charter schools are schools that are authorized by a government entity (such as a public university or a school district) and financed by the same per-pupil funds that traditional government schools receive. Students are not assigned to charter schools by any criteria; rather, charter schools rely on families' voluntary choice for their enrollment. Unlike traditional government schools, charter schools must operate efficiently to raise start-up and expansion capital. Charter schools enjoy greater freedom from regulation and bureaucratic micromanagement, but they are held directly accountable for student performance. Charter schools that fail to achieve their goals can be shut down by their authorizing agency. Charter schools that fail to satisfy parents lose their state funding when parents enroll their children elsewhere.

Common school. The term "common school" refers to schools open to all people in a given community. In the United States, free elementary schools in New England were the first common schools, but the term now includes government high schools. Many of the early common schools were partially financed with private money.

Compulsory education. Laws requiring that children under a certain age be enrolled in school, usually a government school. The theory behind compulsory education is that mandatory attendance benefits society as a whole by forcing all children to be educated.

District system. A school organization design in which the local geographical unit or district is the legal authority responsible for the funding, curriculum, and maintenance of a school or schools.

Free or open market. A free or open market is one based on voluntary exchange among individuals rather than coercion. In education, the free or open market allows the economic laws of competition and supply and demand to operate without distortion, thereby encouraging innovation, providing schools with essential feedback on consumer satisfaction, fostering accountability and qualitative improvement, and reducing waste and inefficiency.

Full educational choice. Educational reform that removes barriers to families' ability to choose from among a range of government *and* private schools. Examples include vouchers or tax credits that offset tuition costs for parents who choose not to send their children to the traditional tax-funded schools. See also *limited educational choice*.

Inter-district choice. Inter-district choice is a form of *limited educational choice* that clears barriers to families' ability to choose for their children any government school in their state. In some states like Michigan, families theoretically enjoy inter-district choice, but in practice districts are allowed to decide for themselves whether or not they wish to participate in the program. Most school districts choose not to participate, preferring not to risk losing students and the state aid that follows them.

Many districts force parents to pay government-school tuition if they wish to cross district lines.

Intra-district choice. Intra-district choice is a form of *limited educational choice* that removes barriers from families' ability to choose which school within their school district their children will attend. Intra-district choice schools generally fall into one of three categories: *magnet schools*, *second-chance schools*, and *open enrollment*. Common characteristics of these government *schools-of-choice* are continued district control of operation, funding, and budgetary decision making and an inability to spontaneously respond to greater enrollment demand. Like inter-district choice, intra-district choice may be limited by district participation.

Limited educational choice. Educational reform that eliminates barriers to parents' ability to choose from among traditional, charter, or other government schools. Choice is "limited" because parents still must pay twice if they wish to send their children to private school—once in taxes for the government schools they do not use and again in tuition for their private *school-of-choice*. Most states now allow parents to have limited educational choice.

Magnet school. District-operated government schools designed to "attract" a racially diverse student body from a variety of attendance areas. Most magnet schools are designed around a specific theme or method of instruction and have a select student population and teaching staff.

Nonsectarian school. Nonsectarian schools are schools without any particular religious affiliation. Modern government schools would be considered nonsectarian, whereas parochial schools may espouse the doctrine of a particular denomination or religion, making them *sectarian*.

Non-teachers. Education employees who are not teachers, such as bus drivers, cooks, janitors, secretarial staff, administrators, district officials, etc. In a few states like Michigan, more than half of all education employees are non-teachers.

Normal school. An American teacher-training school or college. Nineteenth-century normal schools were often two-year institutions on about the same level as high schools.

Open enrollment school. Open enrollment is a form of *intra-district choice* that allows parents to send their children to any grade-appropriate school within their resident district, subject to space availability.

Pedagogy. The art or profession of teaching. Also refers to the curricula of teacher-training institutions with respect to education theory and methodology.

Per-pupil expenditure. The amount of tax dollars spent per child in the government education system.

Private/Nongovernment school. Private, or nongovernment, schools are schools that operate independently from government (they are, however, subject to the same

basic health and safety laws as are government schools). Typically, private schools are voluntarily funded through tuition payments from families who enroll their children. Parochial schools are also often subsidized by their respective church or denomination. Private schools serve approximately 11 percent of all students in the United States; the majority of them are Catholic schools.

Private scholarships. Private scholarships provide qualified students—often from lower-income families—with privately funded financial assistance to help them attend tuition-charging *schools-of-choice*. Most private scholarships cover only a portion of private school tuition and therefore require parents to pay part of the cost. Private scholarship programs began on a large scale in 1991 and are growing in popularity as a way to provide disadvantaged families with greater educational choice.

Public/Government school. “Public” schools can rightfully be called government schools because they are supported entirely through tax dollars and are governed through the state and smaller, local governmental entities at the district level.

School choice. School choice is a fundamental education reform that proposes removing some or all of the government-erected barriers to families’ ability to choose for their children the schools that best meet their educational needs. Early Americans enjoyed full school choice in the form of a free market in education. Beginning in the nineteenth century, government assumed more responsibility for, and control of, education to the point that many over-taxed families are today unable to afford alternatives to their local government-run school. School choice can be divided into two categories: *limited educational choice*, which removes barriers only to parental choice of government schools, and *full educational choice*, which affords parents a full range of options among government *and* private schools.

School employee labor union. Commonly called “teacher unions,” school employee unions actually represent support staff including cooks, janitors, and bus drivers, as well as teachers. The two largest school employee unions are the National Education Association, which has approximately 2.5 million members, and the American Federation of Teachers, an affiliate of the AFL-CIO, which has approximately 1 million members.

Schools-of-choice. Schools-of-choice is a term that often refers to charter schools and other government schools that are part of an *intra-* or *inter-district choice* program, so-called because parents can choose the schools as opposed to having their children assigned there. More generally, a school-of-choice is any school—government or private—voluntarily chosen by parents.

Second-chance school. Second-chance schools, sometimes called “alternative” schools, are government schools designed for students who, for a variety of reasons, do not function well in the traditional government school. These schools typically serve students who have dropped out or are in danger of dropping out because of underachievement, pregnancy, low skills, or drug and alcohol dependency. Most second-chance schools provide open, flexible alternatives with specialized structure, size, and curricular offerings.

Sectarian school. Sectarian schools are schools affiliated with a specific religious denomination. “Sectarian” derives from the fact that early American schools were commonly established under the control of particular church groups or sects.

Special education. A school program designed for children who are exceptional—that is, either gifted or below-normal in ability.

Tax credit. Tax credits, a form of *full educational choice*, are designed to provide parents with tax relief to offset expenses incurred in selecting an alternative government or private school for their children. A tax credit is a dollar-for-dollar reduction in taxes owed, whereas a tax deduction is merely a reduction in taxable income. For the purposes of school choice, tax credits may be granted for any or all out-of-pocket educational expenses incurred by an individual, from tuition to textbooks to transportation to extracurricular fees—though tuition is the most common expense allowed in practice. Tax credits are often criticized because they do not help lower-income families who have little tax liability.

Universal Tuition Tax Credit (UTTC). In 1997, the Mackinac Center developed the universal tuition tax credit, a *full educational choice* proposal that incorporates the advantages of vouchers and tax credits while minimizing their disadvantages. Under the UTTC, *any* taxpayer—individual or corporate, parent or grandparent, friend, neighbor, or business—that pays a Michigan elementary or secondary student’s tuition is eligible for a dollar-for-dollar tax credit against taxes owed. In this way, lower-income families with little or no tax liability also can benefit from corporate or philanthropic tuition assistance.

Vouchers. Vouchers are forms of payment from government to an individual to enable that individual to purchase a particular good or service—in this case, education—in the open market. Food stamps, Medicaid, and the G. I. Bill are all examples of vouchers. Education vouchers can be issued to cover all educational expenses or just certain ones, such as tuition, transportation, etc.

Appendix B: School Choice Resources

Mackinac Center for Public Policy

The Mackinac Center for Public Policy is an independent, nonprofit, nonpartisan research and educational institute dedicated to analyzing and advancing public policy ideas that strengthen and improve Michigan's culture and economy and its citizens' quality of life. It is the nation's largest state-focused policy research organization.

Through scholarly policy studies, conferences, seminars, and public forums, the Center helps citizens and public officials to better evaluate policy options by providing them with the best and most up-to-date research on the problems facing Michigan schools, citizens, businesses, and communities.

Mackinac Center research shows that leaving people free to make their own decisions in a market economy results in superior goods and services for all consumers. Mackinac Center ideas have a decade-long record of influencing public policy to make Michigan citizens freer and more prosperous.

The Mackinac Center for Public Policy is committed to freedom in education as embodied by the concept of school choice. In 1998, the Center's Education Policy Department was formed in order to advance freedom in education throughout the state of Michigan. For more information about the Mackinac Center for Public Policy's work in education, contact the Center at (517) 631-0900 or visit one of its Web sites at www.mackinac.org, www.EducationReport.org, and www.SchoolChoiceWorks.org.

Other School Choice Organizations

The Cato Institute

1000 Massachusetts Avenue, NW
Washington, DC 20001-5403
Phone: 202-842-0200
Fax: 202-842-3490
www.cato.org

The Heritage Foundation

214 Massachusetts Ave, NE
Washington DC 20002-4999
Phone: 202-546-4400
Fax: 202-546-8328
www.heritage.org

The Center for Education Reform

1001 Connecticut Ave., NW, Suite 204
Washington, DC 20036
Phone: 202-822-9000
Fax: 202-822-5077
www.edreform.com

Children First CEO America

P. O. Box 330
Bentonville, AR 72712
Phone: 501-273-6957
Fax: 501-273-9362
www.childrenfirstamerica.org

Education Intelligence Agency
P.O. Box 2047
Carmichael, CA 95609
Phone: 916-422-4373
Fax: 916-392-1482
<http://hometown.aol.com/educintel/eia>

Education Policy Institute
4401-A Connecticut Ave., NW
Washington, DC 20008-2322
Phone: 202-244-7535
Fax: 202-244-7584
www.educationpolicy.org

Friedman Foundation
One American Square, Suite 2440
P.O. Box 82078
Indianapolis, IN 46282
Phone: 317-681-0745
Fax: 317-681-0945
www.friedmanfoundation.org

The Fordham Foundation
1627 K Street, NW, Suite 600
Washington, DC 20006
Phone: 202-223-5452
Fax: 202-223-9226
www.edexcellence.net

Michigan School Board Leaders Association
P.O. Box 608
Davison, MI 48423
Phone: 810-658-7667
Fax: 810-658-7557
www.msbla.org

The Separation of School & State Alliance
4578 N. First, #310
Fresno, CA 93726
Phone: 209-292-1776
Fax: 209-292-7582
www.sepschool.org

Campaign for America's Children
767 Fifth Avenue, 44th Floor
New York, NY 10153
Phone: 212-752-3310
Fax: 212-753-9164
www.putparentsinline.org

Children's Scholarship Fund
Phone: 212-752-8555
www.scholarshipfund.org

School Choices: A Citizen's Guide to Education Reform
www.schoolchoices.org

State Policy Network (a network of state-focused policy organizations)
6255 Arlington Boulevard
Richmond, CA 94805-1601
Phone: 510-965-9700
Fax: 510-965-9600
www.spn.org

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- ¹² Richman, *Separating School & State...*, p. 38.
- ¹³ Blumenfeld, *Is Public Education Necessary?*, p. 36.
- ¹⁴ Perkinson, *The Imperfect Panacea...*, pp. 14-16, 27-32; and Blumenfeld, *Is Public Education Necessary?*, pp. 43-44.
- ¹⁵ Cubberley, *Public Education in the United States...*, pp. 175-176; and Blumenfeld, *Is Public Education Necessary?*, pp. 48, 56.
- ¹⁶ Perkinson, *The Imperfect Panacea...*, pp. 27-32.
- ¹⁷ Blumenfeld, *Is Public Education Necessary?*, p 66.

- ¹⁸ In fact, in 1820 only about 22 percent of the school-aged children outside of Boston attended public schools. Private academies flourished. Blumenfeld, *Is Public Education Necessary?*, p. 56.
- ¹⁹ Blumenfeld, *Is Public Education Necessary?*, p. 164
- ²⁰ *Ibid.*, pp. 164-165.
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