

Backgrounder

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School Choice: 2006 Progress Report

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Reforms that give parents greater ability to choose their children's schools continue to expand across the nation. Just a decade ago, only a few school choice programs existed. Today, a dozen states and the District of Columbia have private school choice programs. In 2006, eight states—Arizona, Florida, Iowa, Ohio, Pennsylvania, Rhode Island, Utah, and Wisconsin—enacted new school choice programs or expanded existing programs. By 2007, as many as 150,000 students will be participating in publicly funded tuition scholarship programs.¹

As of August 2006:

- Seven states—Arizona, Florida, Maine, Ohio, Vermont, Utah, and Wisconsin—and the District of Columbia have taxpayer-funded scholarships to help students attend private elementary or secondary schools of choice;
- Seven states—Arizona, Florida, Illinois, Iowa, Minnesota, Pennsylvania, and Rhode Island—have tax credits or deductions for education expenses, including private school tuition, or incentives for contributions to scholarship programs;
- Forty states and the District of Columbia have charter school laws;
- Public school choice within or between districts is guaranteed in 15 states;
- Dual enrollment programs² exist in 38 states, in 18 of which the programs are mandatory, to allow

Talking Points

- Parental choice in education is growing. Seven states and the District of Columbia provide government-funded scholarships for private school. Seven states have tax credits or deductions for education expenses or donations that fund scholarships. Forty states and the District of Columbia have enacted charter schools laws.
- A growing body of evidence suggests that parents of students participating in school choice programs are happier with their children's schools. Students attending private schools using scholarships have shown higher test scores than their peers in public school. Public schools that face competition from school choice programs have shown improved performance.
- Despite progress in expanding school choice, millions of children are enrolled in persistently underperforming public schools. Congress and state lawmakers should implement student-centered reforms to give all families the opportunity to choose safe and effective schools for their children.

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qualifying high school students to attend college classes to receive higher education credits; and

- Home schooling is legal in every state.³

The Expansion of School Choice

Laws passed during the 2006 state legislative sessions substantially increased parental choice in education. In all, publicly funded private school choice programs were created or expanded in eight states.

In Wisconsin, lawmakers broadened the state's landmark school voucher program to allow an additional 7,500 students to participate this fall—an increase of 50 percent.⁴ In Arizona, three new private school choice programs were created: a corporate scholarship tax credit program for low-income students, a scholarship program for special education students, and a first-in-the-nation scholarship program for foster children.⁵ New scholarship tax credit programs were created in Iowa and Rhode Island. Existing school choice

programs were expanded in Ohio, Pennsylvania, and Utah.⁶

This progress in 2006 follows a 15-year trend of reforms to give parents greater ability to choose their children's schools. In all, 10 states now have publicly funded scholarship programs to help students gain access to private school options. By 2007, an estimated 150,000 students will participate in publicly funded tuition scholarship programs across the United States.

Forty states and the District of Columbia now have charter schools. In all, more than 1 million students are attending more than 3,600 charter schools across the United States.⁷ Every state allows home schooling, and more than 1 million families have opted to forgo publicly financed schools and to educate their children at home.⁸

While school choice is expanding, millions of families still do not have the freedom to choose

1. This estimate is based on participation in current programs and projections of full participation in newly enacted or expanded programs in 2007. (For an overview of school choice plans, see the Appendix.) This year, 22,522 students received scholarships through Arizona's scholarship tax credit program. An estimated 2,350 students will participate in Arizona's three new scholarship programs next year. In Florida, 31,636 students participated in scholarship programs last year. In Iowa, an estimated 500 students will participate in the state's new scholarship program next year. In Maine and Vermont, 13,959 and 8,040 students, respectively, participated in the states' tuitioning programs during a recent year. In Ohio, 5,675 students participated in the Cleveland voucher program last year. As many as 14,000 students could receive scholarships through Ohio's new school choice program. In Pennsylvania, an estimated 25,000 students participated in the corporate scholarship tax credit program last year. In Rhode Island, as many as 200 students will receive scholarships through the new corporate tax credit program next year. In Utah, as many as 500 students participate in the Carson Smith special needs scholarship program. In Washington, D.C., 1,733 students received opportunity scholarships last year. In 2007, 22,500 students will be eligible to receive school vouchers in Milwaukee.
2. Melinda Mechur Karp, Thomas R. Bailey, Katherine L. Hughes, and Baranda J. Fermin, "State Dual Enrollment Policies: Addressing Access and Quality," U.S. Department of Education, Office of Vocational and Adult Education, 2004, at eric.ed.gov/ERICDocs/data/ericdocs2/content_storage_01/0000000b/80/2b/b4/c9.pdf (August 15, 2006).
3. For additional background information, see The Heritage Foundation, "Choices in Education," Web site, at www.heritage.org/schoolchoice, and Krista Kafer, "Choices in Education: 2005 Progress Report," Heritage Foundation *Background* No. 1848, April 25, 2005, at www.heritage.org/Research/Education/upload/77495_1.pdf (August 14, 2006).
4. Amanda Paulson, "Milwaukee's Lesson on School Vouchers," *The Christian Science Monitor*, May 23, 2006, at www.csmonitor.com/2006/0523/p01s03-usgn.html (September 11, 2006).
5. Andrea Falkenhagen, "School Vouchers Deal Angers Some," *East Valley Tribune*, June 25, 2006, at www.eastvalleytribune.com/index.php?sty=68393 (September 11, 2006).
6. News release, "PA Expands Education Tax Credit by \$10 Million," Alliance for School Choice, July 3, 2006, at www.allianceforschoolchoice.org/media_center.aspx?IITypeID=3&IIID=2727 (August 15, 2006).
7. Center for Education Reform, "National Charter School Data at-a-Glance," October 2005, at www.edreform.com/upload/ncsw-numbers.pdf (August 4, 2006).
8. Kafer, "Choices in Education."

their children's schools. Communities across the nation should follow in the footsteps of existing school choice programs to increase educational freedom by allowing parents to direct their children's education.

Developments in 2006

During 2006, seven states enacted measures to create new private school choice programs or to expand existing programs. The following is an overview of the measures enacted to expand or create K–12 private school choice options.

Arizona. During the 2006 legislative session, Arizona lawmakers created three new private K–12 school choice options.⁹ The first new initiative is a corporate scholarship tax credit that allows businesses to take a dollar-for-dollar tax credit for contributions to nonprofit organizations that fund private school scholarships for low-income students. The total amount of tax credit contributions is capped at \$10 million annually with a provision increasing the cap by 20 percent each year until 2010, when \$21 million will be available for tax credit contributions.¹⁰

Arizona's second new option is a private school scholarship program for children with disabilities. Under the program, \$2.5 million will be available annually for qualifying special education students to attend private schools of choice.¹¹

The third program is a first-in-the-nation school voucher program for foster children. This program will provide \$2.5 million annually for tuition scholarships for children who have been placed in foster care.¹² Foster children face many challenges in life and in the classroom. Research suggests that, com-

pared with the general population, foster children have lower scores on standardized tests and higher absenteeism, tardiness, truancy, and dropout rates. One main problem is instability: Children in long-term foster care often experience multiple home placements, which can lead to school transfers.¹³ A voucher program could provide foster children with a more stable and higher-quality education. Governor Janet Napolitano (D) signed the foster care and special education school choice programs into law and allowed the corporate tax credit program to become law without her signature.

Florida. In June, Governor Jeb Bush (R) signed legislation to allow students who had been participating in the A+ Opportunity Scholarship program, which helped children from failing public schools, to receive scholarships through Florida's existing corporate scholarship tax credit program.¹⁴ This change in the law was necessary because the Florida State Supreme Court had ruled that the Opportunity Scholarship program was unconstitutional. Without this legislation, more than 700 children would have been returned to failing schools, as defined under Florida law. The legislation includes accountability requirements for participating private schools.

Iowa. In June, Governor Tom Vilsack (D) signed into law the Educational Opportunities Act, creating a scholarship tax credit program to help thousands of children in Iowa. Individuals can receive a 65 percent tax credit for donations to nonprofit school tuition organizations that fund private school scholarships. Students from families with incomes below 300 percent of the poverty line are

9. Press release, "Four New School Choice Measures Make History," Goldwater Institute, June 21, 2006, at www.goldwaterinstitute.org/article.php?/1042.html (August 10, 2006).

10. News release, "Arizona Enacts Nation's First School Choice Scholarship Program for Foster Children," Alliance for School Choice, June 21, 2006, at www.allianceforschoolchoice.org/media_center.aspx?IITypeID=3&IIID=2712 (August 15, 2006).

11. *Ibid.*

12. *Ibid.*

13. Dan Lips, "School Choice for Maryland's Foster Care Children: Fostering Stability, Satisfaction, and Achievement," Maryland Public Policy Institute, September 2006, at www.mdpolicy.org/docLib/20051112_MPPIFosterCare.pdf (September 5, 2006).

14. News release, "Florida Governor Signs Bill Giving Displaced Students a Lifeline to a New School Choice Program and More Accountability to Private Schools," Alliance for School Choice, June 7, 2006, at www.allianceforschoolchoice.org/media_center.aspx?IITypeID=3&IIID=2691 (August 15, 2006).

eligible to receive scholarships. The total amount of donations that can qualify for the tax credit is capped at \$2.5 million in 2006 and \$5 million annually in subsequent years. The legislation received overwhelming bipartisan support, passing by a vote of 49 to 1 in the Iowa Senate and 75 to 19 in the Iowa House of Representatives.¹⁵

Ohio. Ohio lawmakers enacted legislation to expand the number of students eligible for scholarships through the 2005 EdChoice program, which provides school vouchers to students attending low-performing schools.¹⁶ By extending this opportunity to students attending public schools under “academic watch,” this legislation increased the number of students eligible to receive scholarships from 20,000 to 50,000.

Pennsylvania. In July, Pennsylvania lawmakers expanded the state’s Educational Improvement Tax Credit program, which allows corporations to receive partial tax credits for donations to organizations that fund private school scholarships or school improvement projects. The measure increased the tax credit limit from \$44 million to \$54 million.¹⁷

Rhode Island. In Rhode Island, lawmakers created a new \$1 million corporate scholarship tax credit program to provide tuition scholarships to children from low-income families.¹⁸ To receive a scholarship, a student must be from a family with an income below 250 percent of the poverty line.

Utah. In March, Governor Jon Huntsman, Jr. (R), signed legislation to expand the Carson Smith Scholarship program, created in 2005 to provide tuition scholarships to children with special needs. The 2006 legislation increased the number of schools and students that are eligible to participate.¹⁹ According to the Alliance for School Choice, between 250 and 500 children received Carson Smith scholarships worth \$5,700 each to attend private schools in 2005–2006.²⁰

Wisconsin. In March, Governor Jim Doyle (D) reached an agreement with Republican leaders in the state legislature to increase the number of students who can participate in the landmark Milwaukee school voucher program from 15,000 to 22,500.²¹ The program, which was created in 1990–1991, had limited the number of participating children to 15 percent of the school district’s enrollment. In 2004–2005, 15,035 students received vouchers.²² In addition to lifting the enrollment cap, the compromise legislation requires participating private schools to administer a national norm-referenced test in reading, mathematics, and science to voucher students in 4th, 8th, and 10th grades and to submit the results for an academic evaluation.²³

Growing Bipartisan Support

In addition to the successful efforts to enact school choice legislation across the country in 2006, state lawmakers in at least 29 states consid-

15. Milton & Rose D. Friedman Foundation, “Iowa Enacts New Scholarship Tax Credit Program,” June 2, 2006, at www.friedmanfoundation.org/news/2006-06-02.html (June 19, 2006).

16. News release, “Ohio and Utah Pass Bills Expanding School Choice Programs,” Alliance for School Choice, March 30, 2006, at www.allianceforschoolchoice.org/media_center.aspx?IITypeID=3&IIID=2599 (August 15, 2006).

17. News release, “PA Expands Education Tax Credit by \$10 million.”

18. News release, “Rhode Island Passes State’s First Private School Scholarship Program,” Alliance for School Choice, June 26, 2006, at www.allianceforschoolchoice.org/media_center.aspx?IITypeID=3&IIID=2718 (August 15, 2006).

19. News release, “Ohio and Utah Pass Bills Expanding School Choice Programs.”

20. Alliance for School Choice, “School Choice Around the Nation,” at www.allianceforschoolchoice.org/school_choice_states.aspx (August 4, 2006).

21. Paulson, “Milwaukee’s Lesson on School Vouchers.”

22. Milton & Rose D. Friedman Foundation, “The ABCs of School Choice: 2005–2006 Edition,” at www.friedmanfoundation.org/ABCs.pdf (August 12, 2006).

23. News release, “Wisconsin Governor Signs Bill to Increase School Choice Program Cap,” Alliance for School Choice, March 10, 2006, at www.allianceforschoolchoice.org/media_center.aspx?IITypeID=3&IIID=2566 (August 15, 2006).

ered school choice initiatives, according to the Milton & Rose D. Friedman Foundation. Since six states did not have a legislative session in 2006, this represents approximately two-thirds of all the states that had legislative sessions. The Friedman Foundation reports that 428 school choice initiatives were considered during the 2005–2006 state legislative sessions.²⁴ (For an overview of school choice plans, see the Appendix.)

The 2006 state legislative sessions witnessed increasing willingness of Democratic lawmakers to embrace school choice initiatives. In Arizona, Iowa, Pennsylvania, and Wisconsin, Democratic governors signed legislation to create new school choice programs or to expand existing ones. Similarly, a growing number of state Democratic legislators backed school choice measures during the 2006 legislative session. This trend of expanding bipartisan support suggests that more school choice programs could be enacted in future years.

Growing Evidence That School Choice Works

One likely reason for the growing bipartisan support for school choice is the mounting empirical evidence that school choice programs work. Over the past 15 years, the growth of school choice programs has enabled researchers to study the impact of school choice on students, families, and school systems. Students participating in school choice programs have made academic gains when compared to their peers in public school. Importantly, public schools that face competition from choice programs have shown improvement.

Strong Demand for Scholarships. School choice is clearly popular among participating

families. For example, when tuition scholarships have been made available to low-income families, the number of students seeking scholarships has far surpassed scholarship availability. In 1998, the Children's Scholarship Fund offered 40,000 privately funded tuition scholarships to low-income students. More than 1.2 million children applied. In New York City, Newark, New Orleans, Philadelphia, and Washington, nearly one out of three eligible students applied for scholarships.²⁵ In Washington, D.C., nearly two applicants applied for each available scholarship offered through the federal D.C. Opportunity Scholarship program.²⁶

Higher Parental Satisfaction. Parents benefiting from school choice report higher levels of satisfaction, as indicated by numerous studies. For example, a 2003 Goldwater Institute survey of approximately 2,600 low-income families participating in the Arizona School Choice Trust's scholarship program found that parents who were able to choose their children's schools were happier with their children's schools than were parents who were unable to choose their children's schools.²⁷ In 2003, the Manhattan Institute surveyed parents participating in Florida's McKay Scholarship Program for Students with Disabilities and found that 92.7 percent of parents were satisfied or very satisfied with their children's schools, compared to just 32.7 percent of public school parents.²⁸

The U.S. Department of Education's National Household Education Survey Program also found that parents benefiting from school choice were more satisfied with their children's schools and more involved in their children's education:

24. Milton & Rose D. Friedman Foundation, "A Map for Success," August 2006.

25. Anemona Hartocollis, "Private School Choice Plan Draws a Million Aid Seekers," *The New York Times*, April 21, 1999, p. A1.

26. V. Dion Haynes, "2nd D.C. Voucher Lottery Gets Stronger Response," *The Washington Post*, April 16, 2005, p. B2, at www.washingtonpost.com/wp-dyn/articles/A57562-2005Apr15.html (September 11, 2006).

27. Dan Lips, "The Impact of Tuition Scholarships on Low-Income Families: A Survey of Arizona School Choice Trust Parents," Goldwater Institute *Policy Report* No. 187, December 11, 2003, at www.goldwaterinstitute.org/pdf/materials/392.pdf (August 14, 2006).

28. Jay Greene and Greg Forster, "Vouchers for Special Education Students: An Evaluation of Florida's McKay Scholarship Program," Manhattan Institute *Civic Report* No. 38, June 2003, at www.manhattan-institute.org/html/cr_38.htm (August 14, 2004).

Parents whose children attended either public, chosen schools or private schools were more likely to say they were very satisfied with their children's schools, teachers, academic standards, and order and discipline than were parents whose children attended public, assigned schools. Parents whose children attended private schools were more involved in activities at their children's schools than were parents whose children attended public, assigned and public, chosen schools.²⁹

Improved Academic Achievement. Students in private school choice programs show increased academic achievement. Eight "random-assignment" studies of five school voucher and tuition scholarship programs compared the performance of students who were awarded scholarships to attend private school through a lottery system to the performance of their peers who entered the lottery but did not receive a scholarship and therefore remained in public school.

According to education researcher Jay Greene, all but one of these studies found that students using scholarships to attend private schools performed significantly better academically, and every study found some positive academic effect. For example, the Milwaukee school voucher program has been subject to two randomized-experiment studies that have found that students who received vouchers through a lottery made academic gains when compared to their peers who remained in public school. Similar studies of private school choice programs in cities such as Charlotte, North Carolina; New York City; and Washington, D.C., reached similar conclusions.³⁰

Improved Public School Performance Through Competition. In addition to helping participating children, school choice programs introduce competition into public school systems, which can drive public schools to improve performance or

risk losing students. Studies have suggested that competition has a desirable system-wide effect, encouraging traditional public schools threatened with a loss of students to make better use of their resources.

For example, Harvard University economist Caroline Hoxby has studied the effects of competition on education in Arizona, Michigan, and Milwaukee and found that it sparked improvement in public schools. In Arizona and Michigan, public schools facing competition from charter schools realized greater academic improvement than public schools that did not face competition. In a separate study of Milwaukee's choice program, Hoxby found statistically significant evidence that competition spurs improvement. Hoxby has studied other types of school choice—such as interdistrict choice among public schools—and found that these types of competition also lead to significant improvements. Her findings point to significant benefits from competition:

If every school in the nation were to face a high level of competition both from other districts and from private schools, the productivity of America's schools, in terms of students' level of learning at a given level of spending, would be 28 percent higher than it is now.³¹

Remaining Challenges

Despite growing evidence that school choice programs are working, efforts to expand parental choice in education still face many obstacles, particularly legal challenges that threaten to eliminate school choice options. In January, the Florida Supreme Court struck down the state's Opportunity Scholarship program, ruling that the scholarship program for children in failing schools violated the Florida constitution's "uniformity" clause that guarantees all students a "uniform, safe, secure, and high quality system of free public schools."³² The ruling

29. U.S. Department of Education, National Center for Education Statistics, "Trends in the Use of School Choice: 1993 to 1999," NCES 2003-031, May 2003, p. 25, at nces.ed.gov/pubs2003/2003031.pdf (August 14, 2006).

30. Jay P. Greene, *Education Myths* (Lanham, Md.: Rowman and Littlefield Publishers, Inc., 2005), pp. 150-154.

31. Caroline Minter Hoxby, "Rising Tide," *Education Next*, Spring 2001, at www.educationnext.org/20014/68.html (August 14, 2006).

would have ended a program that had been helping students enrolled in failing public schools to attend private schools since 1999 if the Florida legislature had not provided an alternate funding source for participating students.

The recent ruling in Florida is likely to inspire future legal challenges. Clark Neily, an attorney with the Institute for Justice, an organization that litigates on behalf of school choice initiatives, explained: “There’s no question that this decision will embolden the school choice opponents to throw the uniformity argument against the wall and see if it sticks in other states.”³³

School choice programs like Florida’s Opportunity Scholarship program have been the subject of numerous legal challenges across the country in spite of a favorable verdict in the U.S. Supreme Court. In 2002, the Court upheld the constitutionality of the Cleveland school voucher program in the landmark *Zelman v. Simmons-Harris* decision. The Court ruled that the Cleveland voucher program, which allowed students to use scholarships to attend religious private schools, did not violate the First Amendment. In addition, school choice programs have been successfully defended in Arizona, Illinois, Ohio, and Wisconsin.³⁴

However, the U.S. Supreme Court decision has not halted challenges based on state constitutions, which have different language and legal histories. State courts have issued rulings that have excluded religious private schools from school choice programs in Puerto Rico and Vermont.³⁵ Lawmakers

implementing school choice programs should be optimistic that well-designed programs have been upheld by state courts across the country, but the legal challenges to school choice can be expected to continue.

What Congress and State Policymakers Should Do

Children across the country would benefit from greater choice in education. Millions of American children are enrolled in underperforming public schools. According to a Department of Education report in 2006, more than 2,112 public schools have missed state benchmarks for five or more years under No Child Left Behind.³⁶ In some large school districts, including New York City, Los Angeles, and Chicago, hundreds of thousands of students are enrolled in persistently underperforming public schools.

Moreover, the children in chronically underperforming schools are just the tip of the iceberg. A high percentage of public school students nationwide are achieving only minimal academic standards. On the recent 2005 National Assessment of Educational Progress, 32 percent of 8th graders from low-income households scored “below basic” on math, and 29 percent scored “below basic” on reading.³⁷

American taxpayers spend more than \$440 billion annually on K–12 public education in the United States.³⁸ Federal and state policymakers should give parents greater freedom to control the dollars and decision-making in their children’s education.

32. Press release, “Florida Supreme Court Strikes Down School Choice,” Institute for Justice, January 5, 2006, at www.ij.org/schoolchoice/florida/1_5_06pr.html (September 11, 2006).

33. Jacqui Goddar, “After Setback, What’s Next for Vouchers?” *Christian Science Monitor*, January 13, 2006, at www.csmonitor.com/2006/0113/p02s01-uspo.html (September 11, 2006).

34. Richard D. Komer, “School Choice: Answers to Frequently Asked Questions About State Constitutions’ Religious Clauses,” Institute for Justice, updated March 2004, at www.ij.org/pdf_folder/school_choice/FAQ/legal_FAQ_state.pdf (August 14, 2006).

35. *Ibid.*

36. U.S. Department of Education, Institute of Education Sciences, *Implementation*, Vol. 1 of *National Assessment of Title I: Interim Report*, NCES2006–4001, February 2006, p. 42, at www.ed.gov/rschstat/eval/disadv/title1interimreport/vol1.pdf (May 18, 2006).

37. Dan Lips, “America’s Opportunity Scholarships for Kids: School Choice for Students in Underperforming Public Schools,” Heritage Foundation *Background* No. 1939, May 30, 2006, at www.heritage.org/Research/Education/upload/98394_1.pdf.

38. U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, *Digest of Education Statistics, 2005*, Table 152, at nces.ed.gov/programs/digest/d05/tables/dt05_152.asp (September 11, 2006).

To this end, Congress should:

- **Implement** reforms to strengthen the existing parental choice components of No Child Left Behind, including enacting the America's Opportunity Scholarship for Kids initiative, a pilot program to provide opportunity scholarships to children in persistently failing public schools;
- **Reauthorize and expand** the D.C. Opportunity Scholarship program to give more children in the nation's capital the freedom to attend schools of their parents' choice;
- **Expand** Coverdell Education Savings Accounts to give families greater ability to save for and direct their children's K-12 education; and
- **Implement** reforms to transfer dollars and power back to state and local policymakers so that local policymakers can enact reforms that best suit local community needs, such as expanding parental choice.

For their part, state policymakers should:

- **Enact** student-centered education reforms to provide all students with greater freedom to attend schools of their parents' choice, including scholarship programs and tax incentives to promote parental choice, and

- **Expand** parental choice within the public school system through such means as allowing for the creation of more public charter schools.

Conclusion

Across the country, parental choice in education is growing and working. Today, a dozen states and the District of Columbia have private school choice programs. Existing school choice programs have been shown to increase parental satisfaction, improve academic achievement of participating children, and improve public school performance through competition.

The growing success of school choice programs has led more policymakers to support expanding parental choice in education. Already in 2006, eight states have enacted new initiatives or expanded existing private school choice programs.

However, millions more children in the United States could benefit from the opportunity to attend schools of their parents' choice. State and federal policymakers should implement student-centered reforms to give all parents the ability to direct their children's education.

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An Overview of K–12 School Choice Programs Across the United States

State	Program	History and Overview	Impact
Arizona	Individual tax credit for scholarship donations	Enacted in 1997, the program allows taxpayers to receive a dollar-for-dollar tax credit on the state income tax worth up to \$500 for donations to non-profit organizations that award tuition scholarships.	In 2005, Arizona taxpayers made 69,232 donations totaling \$42.1 million to school tuition organizations, and 22,522 scholarships were awarded.
Arizona	Corporate tax credit for scholarship contributions	Enacted in 2006, the program gives corporations a credit on corporate income taxes for donations made to non-profit organizations that award tuition scholarships to low-income children. The total amount available for tax credit contributions is capped at \$10 million annually for 2006.	The program could provide scholarships for more than 1,600 low-income children during the first year.
Arizona	Scholarship program for foster children	Enacted in 2006, the program would provide \$2.5 million for tuition scholarships for children who have been placed in foster care. Each scholarship will be worth up to \$5,000.	The program will provide scholarships for an estimated 500 children annually.
Arizona	Scholarship program for children with disabilities	Disabled students in public schools can obtain a voucher worth up to the student's "base support level" of state funding, which is just over \$3,000 for most students.	The program is capped at \$2.5 million. Scholarship amounts are to be determined.
Florida	A+ Opportunity Scholarship program (Altered due to court order.)	Enacted in 1999, the A+ Opportunity Scholarship program provides students in persistently failing public schools a voucher to attend private school. In January 2006, the Florida Supreme Court ruled that the program violated the state constitution.	In 2005–2006, 740 children participated in the Opportunity Scholarship program. In 2006, Florida enacted legislation allowing students participating in the Opportunity Scholarship program to receive scholarships through the corporate tax credit program, since the program is scheduled to end due to a state court order.
Florida	McKay Scholarship Program for Children with Disabilities	Enacted in 1999 and expanded in 2000, the McKay program provides scholarships to disabled students to attend private school. Any qualifying student with disabilities can apply for a scholarship worth the amount that public schools would have spent to educate the child.	In 2005–2006, 16,812 students participated in the McKay scholarship program.
Florida	Corporate scholarship tax credit	Passed in 2001, the program provides corporations a 75 percent tax credit for donations to non-profit organizations that award scholarships to low-income families. The total amount available for tax credit donations is \$88 million.	In 2005–2006, 14,084 students received scholarships through the corporate tax credit.
Illinois	Individual tuition tax credit	Enacted in 1999, the law allows parents to deduct 25 percent of expenses for their children's tuition, books, and lab fees for public, private, or parochial school up to \$500 per family.	In 2003, 194,923 families claimed the tax credit, reducing their income tax burden by approximately \$67 million.
Iowa	Individual tuition tax credit	Enacted in 1987 and expanded in 1996 and 1998, the law provides a \$250 tax credit on education expenses including private school tuition.	In 2003, 101,987 families used the tax credit, saving more than \$13 million.

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An Overview of K–12 School Choice Programs Across the United States (cont'd)

State	Program	History and Overview	Impact
Iowa	Scholarship tax credit	Enacted in 2006, the law provides a 65 percent tax credit for individuals making a contribution to non-profit organizations that award tuition scholarships to students from families with incomes below 300 percent of the poverty line.	The tax credit program is capped at \$2.5 million for 2006 and \$5 million for future years. It is estimated that the program could provide scholarships for 500 students in its first year.
Maine	Town Tuitioning scholarship program	Since 1873, students from families in small towns that do not have a population to support a local public school have been awarded scholarships to attend public or private schools of choice. The program does not allow students to attend religious schools.	In 2004–2005, 13,959 participated in the tuitioning program. Of these, 6,052 attended private schools.
Minnesota	Tax credits and deductions for education expenses	Created in 1955 and expanded in 1997, the program provides partial tax credits or deductions for educational expenses for students in public or private school. Eligible expenses for the tax credit do not include private school tuition, but it can be deducted.	In 2004, families claimed about \$13.2 million in deductions and another \$16.6 million in credits.
Ohio	Cleveland voucher program	Enacted in 1995 and upheld by the U.S. Supreme Court in 2002, this program provides low-income students a voucher of up to \$3,000 for elementary school or \$2,700 for high school.	In 2004–2005, 5,675 students participated in the program attending 45 private schools.
Ohio	Educational Choice scholarship program	Enacted in 2005 and expanded in 2006, the program will provide school vouchers to up to 14,000 children who had been enrolled in low-performing public schools.	Under the program, 14,000 children will be eligible to receive scholarships.
Ohio	Ohio autism scholarship program	Enacted in 2003, the program allows any child who has autism to receive a scholarship for education expenses, including private school tuition.	In 2004–2005, 270 participated in the program.
Pennsylvania	Educational improvement tax credit program	Enacted in 2001 and expanded in 2003 and 2006, the program allows a partial tax credit to corporations that make donations to scholarship organizations or educational improvement organizations. In 2006, the cap on total tax credits for scholarship donations was raised to \$35.9 million and \$18 million for educational improvement.	During the 2004–2005 school year, approximately 25,000 low-income and middle-income students received scholarships from non-profit scholarship granting organizations that receive donations.
Rhode Island	Corporate scholarship tax credit program	Enacted in 2006, the program allows corporations to receive a tax credit for contributions to non-profit organizations that fund scholarships. In all, \$1 million is available for tax credit donations.	The program is estimated to provide scholarships for an estimated 200 students annually.
Vermont	Tuitioning program	Since 1869, students in rural areas can receive scholarships to attend a public or private school.	In 2004–2005, 8,040 students participated in the program, and 4,445 chose private schools.
Utah	Carson Smith scholarship program	Passed in 2005 and expanded in 2006, the program provides any child who has physical and learning disabilities and an Individual Education Plan the opportunity to receive a scholarship to attend any eligible private school.	In the 2005–2006, as many as 500 students were expected to participate.

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An Overview of K–12 School Choice Programs Across the United States (cont'd)

State	Program	History and Overview	Impact
Washington, D.C.	D.C. Opportunity Scholarship program	Enacted in 2004, the congressionally authorized program made scholarships available to low-income students to attend private school. The program was capped at \$13 million annually.	In 2005–2006, 1,733 students received scholarships.
Wisconsin	Milwaukee school voucher program	Since 1990, low-income students in Milwaukee have been eligible to receive vouchers to attend private school.	In 2004–2005, 15,035 students participated. For future years, the cap on the number of scholarships available has been raised to 22,500 students.

Sources: Milton & Rose D. Friedman Foundation, "The ABCs of School Choice: 2005–2006 Edition," at www.friedmanfoundation.org/ABCs.pdf (August 14, 2006); Alliance for School Choice, "School Choice Around the Nation," at www.allianceforschoolchoice.org/school_choice_states.aspx (August 14, 2006); Arizona Department of Revenue, "Individual Income Tax Credit for Donations to Private School Tuition Organizations: Reporting for 2005," executive summary, March 23, 2006, p. 1, at www.azdor.gov/ResearchStats/private_schl_credit_report_2006.pdf (September 11, 2006); news release, "Florida Governor Signs Bill Giving Displaced Students a Lifeline to a New School Choice Program and More Accountability to Private Schools," Alliance for School Choice, June 7, 2006, at www.allianceforschoolchoice.org/media_center.aspx?IITypeID=3&IIID=2691 (August 15, 2006); news release, "AZ School Choice Hotline Established For Parents Interested In New Scholarship Programs," Alliance for School Choice, August 9, 2006, at www.allianceforschoolchoice.org/media_center.aspx?IITypeID=3&IIID=2800 (September 12, 2006); National Catholic Educational Association, "Parental School Choice," at www.ncea.org/public/SchoolChoiceInitiatives.asp (August 9, 2006); Alliance for School Choice, "School Choice Around the Nation," at www.allianceforschoolchoice.org/school_choice_states.aspx (August 9, 2006); and Reach Foundation, "Victory for Pennsylvania Students—EITC Expanded by \$10 Million," at www.paschoolchoice.org/reach/site/default.asp (August 9, 2006).