

Background

No. 2597
August 17, 2011



Published by The Heritage Foundation

School Choice in America 2011: Educational Opportunity Reaches New Heights

Lindsey M. Burke and Rachel Sheffield

Abstract: 2011 has been a milestone year for school choice, setting the bar high for state legislatures across the country to increase families' educational options. What began with a crucial re-authorization of the D.C. Opportunity Scholarship Program continued with 12 states creating or expanding school choice options. The movement toward educational freedom in 2011 was unprecedented; state after state moved away from the government's public education monopoly and toward policies that put power in the hands of parents, and educational opportunity in the grasp of children.

Today, families in 18 states and the District of Columbia benefit from private school choice options. More than 200,000 children are benefiting from vouchers, tuition tax credit programs, and education savings accounts to pay for tuition at a private school of their parents' choice. Millions more benefit from virtual education options, charter schools, public school choice, and homeschooling. But, although these options are proliferating, millions of children across the country are still trapped in government schools that fail to meet their needs, fail to provide them with a quality education, and in some cases, even fail to provide for their safety.

Congress and state and local leaders must continue the work of ensuring that every child has access to a safe and effective school.

School Choice in America

As of August 2011, 18 states and Washington, D.C., have policies that support private school choice:

Talking Points

- In 2011, 200,000 children in 18 states and the District of Columbia are benefiting from private-school-choice options. (Nine states offer education tax credits to encourage businesses and individuals to make donations to organizations that provide tuition scholarships to students to attend private school; nine states and Washington, D.C., have voucher programs.)
- Forty-six states have policies that permit public-school choice; 40 states and Washington, D.C., allow the creation of charter schools.
- Homeschooling is legal in every state, and more than 1.5 million students participate in online classes.
- School choice evaluations have shown increases in academic achievement, graduation rates, parental satisfaction, and student safety. School choice also places competitive pressure on public schools to improve.
- Although more than 200,000 children are benefiting from vouchers, tuition tax credit programs, and education savings accounts, Congress and state and local leaders must ensure that every child has access to a safe and effective school.

This paper, in its entirety, can be found at:
<http://report.heritage.org/bg2597>

Produced by the Domestic Policy Studies Department

Published by The Heritage Foundation
214 Massachusetts Avenue, NE
Washington, DC 20002-4999
(202) 546-4400 • heritage.org

Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

- Nine states—Arizona, Florida, Georgia, Indiana, Iowa, North Carolina, Oklahoma, Pennsylvania, and Rhode Island—offer education tax credits to encourage businesses and individuals to make donations to organizations that provide tuition scholarships to students to attend private school.
- Nine states and the District of Columbia have voucher programs: Colorado (Douglas County), Florida (special needs), Georgia (special needs), Indiana, Louisiana (New Orleans and special needs), Ohio (Cleveland, Ed Choice, special needs, and Autism scholarships), Oklahoma (special needs), Utah (special needs), Wisconsin (Milwaukee and Racine County), and Washington, D.C.
- Five states—Illinois, Indiana, Iowa, Louisiana, and Minnesota—offer tax deductions to reduce their state income-tax liabilities by taking deductions on education-related expenses, including private-school tuition.

A majority of states offer some form of public school choice:

- Forty-six states have policies that permit public-school choice.¹
- Forty states and the District of Columbia have charter school laws that allow the creation of charter schools—public schools that are free from many of the regulations imposed on traditional public schools, but are held accountable to the same achievement measures as their traditional counterparts. This allows charter schools to be more flexible and innovative than traditional public schools.²

Many more families pursue options outside the traditional school public model:

- Homeschooling is legal in every state.³
- More than 1.5 million students participate in online classes.⁴

School Choice: 2011 Victories

So far this year—“The Year of School Choice”—more states have enacted school choice legislation than in any previous year.⁵ In 2011, 12 states and the District of Columbia implemented reforms to expand or create school choice programs.

1. Arizona. Governor Jan Brewer signed legislation to implement an Education Savings Account (ESA) program for special needs students. Under this policy, Arizona deposits 90 percent of the state per-pupil education funding into a savings account controlled by parents, which can be used for private-school tuition, online education, homeschooling, or saving for college. Unused funds can be rolled over from year to year.⁶ The flexibility provided by ESAs makes this school choice program one of the most innovative to date. Up to 17,000 special needs students are expected to be eligible for the program in 2011.⁷

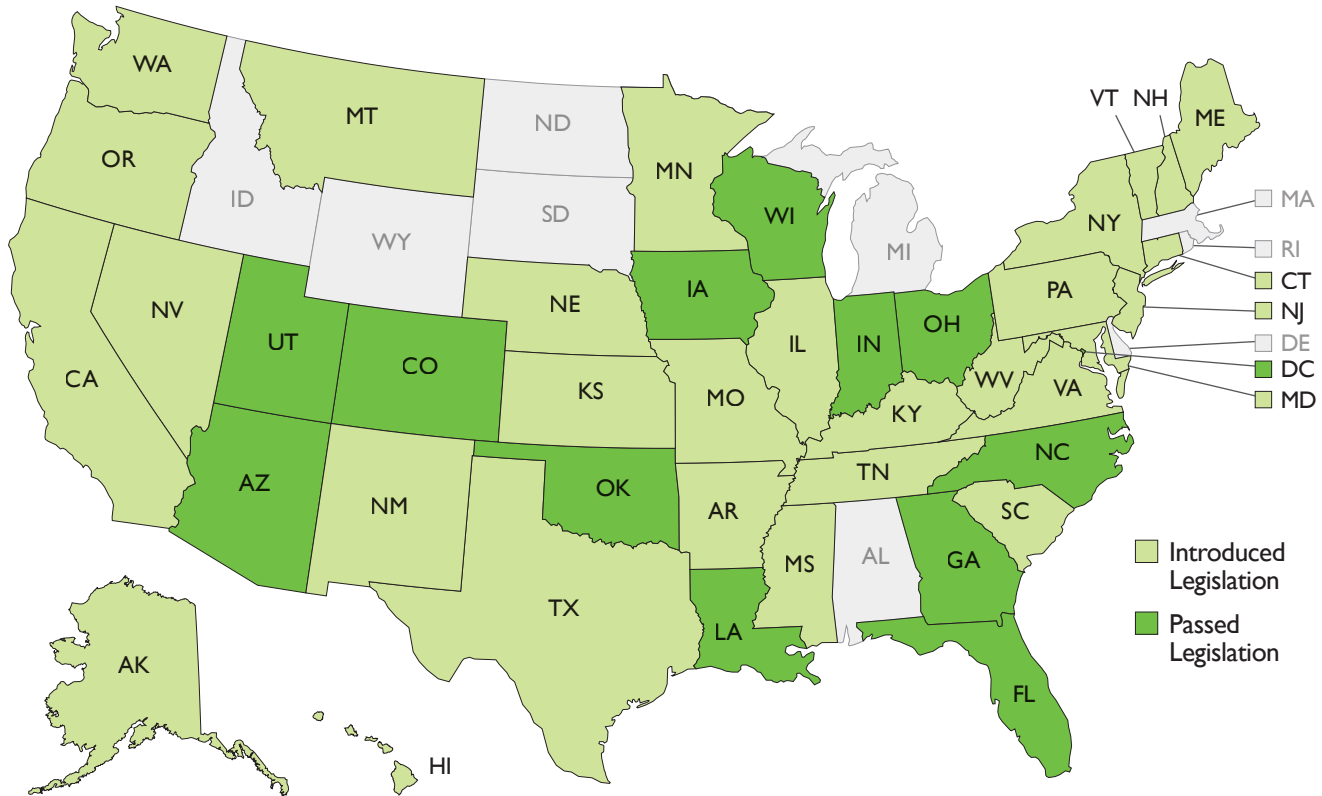
2. Colorado. The Douglas County School District implemented the Choice Scholarship Pilot Program, the first private-school program in Colorado. The program will provide scholarships for up to 500 students to attend private schools of their parents’ choice.⁸

3. Florida. Governor Rick Scott signed legislation to expand a variety of the state’s school choice

1. “Open Enrollment: 50 State Report,” Education Commission of the States, 2011, at <http://mb2.ecs.org/reports/Report.aspx?id=268> (July 26, 2011). Alabama, the District of Columbia, Maryland, North Carolina, and Virginia have not enacted open enrollment policies.
2. “Charter School Laws Across the States: 2011 Rankings and Scorecards,” The Center for Education Reform, 2011, at <http://www.charterschoolresearch.com/> (July 26, 2011).
3. Home School Legal Defense Association, “State Laws,” at <http://www.hsllda.org/laws/default.asp> (August 9, 2011).
4. Keeping Pace with K–12 Online Learning, “Data and Information,” 2011, at <http://kpk12.com/states/> (July 26, 2011).
5. “The Year of School Choice,” *The Wall Street Journal*, July 5, 2011, at <http://online.wsj.com/article/SB10001424052702304450604576420330972531442.html> (August 9, 2011).
6. The Friedman Foundation for Educational Choice, “School Choice Programs: Arizona—Empowerment Scholarship Accounts,” at <http://www.edchoice.org/School-Choice/Programs/Empowerment-Scholarship-Accounts.aspx> (July 22, 2011).
7. Press release, “Arizona Adopts Education Savings Accounts to Aid Special Needs Students,” Goldwater Institute, April 12, 2011, at <http://www.goldwaterinstitute.org/article/5909> (August 9, 2011).

2011—The Year of School Choice

This year 41 states and the District of Columbia have introduced or passed legislation supporting school choice.



Source: Heritage Foundation research.

Map I • B 2597 heritage.org

options, including private, public, charter, and virtual school choice. The laws expanded the eligibility for special needs scholarships through the state’s McKay Scholarship program. The laws also expanded the Tuition Tax Credit Program, which provides tax credits to corporations that donate to scholarship-granting organizations by increasing the tax credit amount corporations can receive for their donations.⁹ A new law also makes it easier for students in failing public schools to transfer to higher-performing public schools. Whereas students were previously eligible to leave their school if it received an “F” grade from the state for two of the four previous years, students are now able to transfer if their

school received either a “D” or “F” grade in the previous year. Additionally, legislation makes it easier for the best charter schools to expand more easily, allowing high-performing charters to add grades or branches without school board approval. Finally, more students now have the option to participate in online courses due to a new law that allows the Florida Virtual School to offer classes to elementary school students, instead of only middle and high school students.

4. Georgia. Georgia expanded its Scholarship Tax Credit program modestly by passing legislation to annually increase the cap of the tax credit by the increase of the Consumer Price Index.¹⁰

8. American Federation for Children and Alliance for School Choice, “School Choice Legislation: State by State,” at http://www.federationforchildren.org/system/uploads/119/original/Legislation_State_by_State.pdf (July 22, 2011).

9. *Ibid.*

10. *Ibid.*

5. Indiana. Indiana enacted the most expansive school choice program in the United States. This program provides scholarships for low-income and middle-income students whose incomes are up to 150 percent of the free and reduced-price lunch level. Those at 100 percent or below this level are eligible to receive 90 percent of state funding for scholarships, whereas those between 100 percent and 150 percent of the free and reduced-price lunch level are eligible for 50 percent of state funding. While the program is limited to 7,500 and 15,000 students in its first and second years, respectively, within three years these limits will be lifted. Once this cap is lifted, it is estimated that approximately 60 percent of Indiana students will be eligible for scholarships. Indiana also added a new tax deduction of up to \$1,000 to help parents pay for education costs, such as school tuition and tutoring.

6. Iowa. Iowa expanded its Scholarship Tax Credit Program by over \$1 million per year.¹¹

7. Louisiana. Louisiana expanded its Elementary and Secondary School Tuition Deduction Program. This program previously allowed parents to receive a 50 percent tax deduction for private-school tuition of up to \$5,000 per child. In 2011, the 50 percent cap was removed to allow a \$5,000 maximum deduction.

8. Ohio. Ohio lifted the cap on the number of scholarships it can provide through its Educational Choice Scholarship Program from 14,000 to 30,000, and expanded the eligibility requirements. Ohio also increased the scholarship amount for students participating in the Cleveland Scholarship and Tutoring Program, targeted at low-income school children.¹² Finally, the state added the Jon Peterson Special Needs Scholarship program, which will allow special needs students to receive up to 90 per-

cent of their state education funding to attend private schools of their parents' choice.¹³ Ohio is now the only state in the nation to provide four private-school choice programs.

9. Oklahoma. Oklahoma passed the Oklahoma Equal Opportunity Education Scholarship Act to provide scholarships for low-income students through a new tax-credit scholarship program. The program provides tax credits of up to 50 percent of the amount donated by individuals and businesses that contribute to scholarship-granting organizations. Students are eligible to receive scholarships of up to \$5,000, or 80 percent, of the average per-pupil cost of the school district where they live.¹⁴

10. North Carolina. North Carolina passed legislation to implement its first private-school choice program, a tuition tax-credit program for families of special needs students. This program provides a non-refundable tax credit to parents of up to \$3,000 per semester—\$6,000 per year—for private-school tuition and other education expenses.¹⁵ Additionally, legislators passed a law to completely lift the cap on the number of charter schools allowed to operate in the state, previously limited to 100.

11. Wisconsin. Governor Scott Walker signed a state budget that included provisions to expand the 20-year-old Milwaukee Parental Choice Program. Previously limited to 22,500 students, the number of scholarships will now be unlimited. Furthermore, eligibility will be expanded to include children from families who earn up to 300 percent of the federal poverty line—a family of four earning up to \$67,000 a year—previously limited to families at or below 175 percent of the federal poverty line. The budget also put into place a similar school choice program for students in neighboring Racine County. This new program will be limited to 250 and 500

11. *Ibid.*

12. American Federation for Children, "Ohio Governor John Kasich Signs Significant School Choice Expansion," June 30, 2011, at <http://www.federationforchildren.org/articles/398> (July 22, 2011).

13. *Ibid.*

14. The Friedman Foundation for Educational Choice, "Oklahoma House Passes School Choice Program with Broad Student Eligibility," April 26, 2011, at <http://www.edchoice.org/Newsroom/News/Oklahoma-House-Passes-School-Choice-Program-with-Broad-Student-Eligibility.aspx> (July 22, 2011).

15. The Friedman Foundation for Educational Choice, "A School Choice First in North Carolina," June 16, 2011, at <http://www.edchoice.org/Newsroom/News/A-School-Choice-First-in-North-Carolina.aspx> (July 22, 2011).

students, respectively, during its first two years, followed by a complete lift of this cap beginning the third year.¹⁶

12. Washington, D.C. The U.S. Congress reauthorized the D.C. Opportunity Scholarship Program, which provides scholarships to low-income students in the District of Columbia. Since 2009, the program had been in danger of being phased out, and no new students were being allowed to apply for scholarships. The 2011 legislation restored the program by once again allowing new students to apply for scholarships and increasing the overall appropriation from \$13.2 million¹⁷ to \$20 million. Students in grades K–8 will now receive scholarships worth \$8,000, and high school students will receive scholarships of \$12,000.¹⁸

13. Utah. Utah passed legislation to allow students in grades 9–12 to use a portion of public education funding for online courses.¹⁹

Potential for Further Reform: Pennsylvania. The Pennsylvania State Senate introduced Senate Bill 1 to implement a scholarship program for low-income students. This program would allow students to receive 100 percent of their state education dollars to attend either a private school or a public school in an outside district.²⁰ While Pennsylvania did not enact the proposal, there is possibility for further debate when the legislature reconvenes in fall 2011.

School Choice: 2011 Setback

Georgia. Georgia experienced a setback in educational choice. In spring 2011, the Georgia Supreme Court ruled that the state could no longer commission charter schools and that the local

school board must authorize charters. Unfortunately, this fox-guarding-the-henhouse policy, which had previously been in place, resulted in very few charter schools receiving authorization. Georgia's charter school commission was enacted by the legislature in order to ensure that more charter schools would receive authorization. The court's reversal of this policy will make it significantly more challenging for a charter school to open its doors and has already put successful charter schools at risk for closure.

Private-School Choice

Private-school-choice policies allow parents to keep their own money and choose a private school that is best for their children. Private-school-choice policies include vouchers and scholarship programs that let parents use a portion of their child's public-school funding to enroll in a private school. They also include tax credits or deductions that provide tax rebates or relief for the purchase of private-school tuition or for making a donation to a charity that awards tuition scholarships. Education Savings Accounts (ESAs) provide families with control over their child's portion of state education funding. Through ESAs, the state deposits per-pupil education funds into a savings account controlled by parents, which can be used for private-school tuition, online education, homeschooling, or saving for college. Unused funds can be rolled over from year to year.

In 2011, 18 states and the District of Columbia provide some form of private-school choice:

1. Arizona. Families in Arizona benefit from three different private-school-choice programs. Since 1997, the state has provided a dollar-for-

16. Press release, "Wisconsin Legislative Committee Acts to Expand School Choice in Milwaukee & Create New Program in Racine," PR Newswire, June 3, 2011, at <http://www.prnewswire.com/news-releases/wisconsin-legislative-committee-acts-to-expand-school-choice-in-milwaukee--create-new-program-in-racine-123110443.html> (August 9, 2011).

17. Consolidated Appropriations Act, 2010, at <http://www.gpo.gov/fdsys/pkg/BILLS-111hr3288enr/pdf/BILLS-111hr3288enr.pdf> (August 10, 2011).

18. American Federation for Children and Alliance for School Choice, "School Choice: Legislation State by State."

19. Parents for Choice in Education, "Utah Statewide Online Education Program," at http://choiceineducation.org/index.php?option=com_content&view=article&id=783&Itemid=208 (July 22, 2011).

20. American Federation for Children, "School Choice Legislation: State by State."

21. Andrew Campanella, Malcom Glenn, and Lauren Perry, *Hope for America's Children: School Choice Yearbook 2010–2011* (Washington, D.C.: Alliance for School Choice, 2011), p. 38, at <http://www.allianceforschoolchoice.org/UploadedFiles/Home/School%20Choice%20Yearbook%202010-11.pdf> (July 22, 2011).

dollar state income tax credit for individuals who make contributions to non-profit organizations that award private-school scholarships to students. This individual scholarship tax credit is currently capped at \$500 (or \$1,000 for a married couple).²¹ In 2010, more than 27,000 children received scholarships that were funded by the tax-credit program, whose supporters donated a total of more than \$43 million.²² In July 2009, Governor Jan Brewer signed legislation to allow individuals to deduct contributions directly from their paychecks, making it easier for people to plan their donations.²³

Families in the Grand Canyon State also benefit from the Corporate Scholarship Tax Credit Program, which allows corporations to take a dollar-for-dollar tax credit for donations made to private-school tuitioning organizations that provide scholarships to students. Scholarships provided through the state Corporate Scholarship Tax Credit Program—up to \$4,700 per child for kindergarten through eighth grade, and up to \$5,900 per child for grades nine through 12 during 2010–2011—are limited to families whose incomes are below 185 percent of the federal poverty line.²⁴ A total of 3,626 scholarships were awarded for the 2010–2011 school year. In FY 2011, corporate tax credits in Arizona were capped at \$20.74 million.²⁵ In April 2011, the U.S. Supreme Court reversed a decision by the Ninth Circuit Court in *Arizona Christian School Tuition Organization v. Winn*, which sought to end the program. The suit, brought to the courts by the American Civil Liberties Union (ACLU), claimed that by giving taxpayers the opportunity to donate to religiously affiliated schools, the

state was advancing religion. The Supreme Court rejected this claim on grounds that individuals, not the state, choose where to donate their own private dollars.²⁶

Finally, as of 2011, Arizona offers ESAs for special needs students. Under this policy, Arizona deposits 90 percent of the state per-pupil education funding into a savings account controlled by parents, which can be used for private-school tuition, online education, homeschooling, or saving for college. Unused funds can be rolled over from year to year.²⁷ The flexibility that this program provides makes the ESA program one of the most innovative types of school choice available.

2. Colorado. Colorado's Douglas County School District implemented its first private-school-choice program: the Choice Scholarship Pilot Program. This pilot program provides scholarships for up to 500 students to attend private schools of their choice.²⁸

3. Florida. Florida offers two private-school-choice programs. The McKay Scholarship Program, which began in 1999, provides scholarships for a private school of choice to children with disabilities. The scholarship amount is based on the amount a child's assigned public school would have spent, or the cost of private-school attendance, whichever is less.²⁹ In all, the McKay program awarded nearly \$150 million in scholarships during the 2010–2011 school year, with 22,198 students receiving scholarships to attend 985 participating private schools.³⁰ Governor Rick Scott signed legislation to expand the eligibility of students who can receive McKay

22. State of Arizona, "Individual Income Tax Credit for Donations to Private School Tuition Organizations: Reporting for 2010, Executive Summary," March 31, 2011, at <http://www.azdor.gov/Portals/0/Reports/private-school-tax-credit-report-2010.pdf> (August 9, 2011).

23. Press release, "Arizona Governor Signs Laws to Strengthen Two School Choice Programs," Alliance for School Choice, July 14, 2009, at <http://www.allianceforschoolchoice.org/MediaCenter/PressReleases/index.cfm?ID=3594&blnShowBack=False&idContentType=115> (August 9, 2011).

24. Campanella, Glenn, and Perry, *Hope for America's Children*, p. 39.

25. *Ibid.*

26. Press release, "U.S. Supreme Court Dismisses Legal Challenge to Arizona School Choice," Institute for Justice, April 4, 2011, at <http://www.ij.org/about/3751> (August 9, 2011).

27. Friedman Foundation for Educational Choice, "School Choice Programs: Arizona—Empowerment Scholarship Accounts."

28. American Federation for Children and Alliance for School Choice, "School Choice: Legislation State by State."

29. U.S. Department of Education, "Education Options in the States: State Programs that Provide Financial Assistance for Attendance at Private Elementary or Secondary Schools," February 2009, at http://www2.ed.gov/parents/schools/choice/educationoptions/report_pg12.html (August 9, 2011).

Scholarships by opening it to students with 504 accommodation plans (previously limited to students with Individual Education Plans).³¹

Florida also offers tax credits to corporations that contribute money to private-school scholarships for students with disabilities and foster children. The Corporate Tax Credit Scholarship Program, also known as “Step Up for Students,” which began in 2001, allows corporations (including insurance companies) to take a dollar-for-dollar tax credit for contributions to scholarship-funding organizations (up to 100 percent of their state income tax liability).³² In 2010, tax credits were capped at \$140 million for the program.³³ Last year, 32,910 students attended nearly 1,100 different private schools using scholarships funded by the Corporate Tax Credit Scholarship Program.³⁴ During the 2008–2009 school year, the average scholarship was \$3,950.³⁵ Starting in the 2010–2011 school year, the scholarship was capped at 60 percent of state per-pupil spending, but after that, will increase by 4 percentage points each year the cap is raised until it reaches 80 percent.³⁶ Prior to 2011, corporations were limited to redirecting up to 75 percent of their tax liabilities towards scholarship granting organizations, but this limit was raised to a full 100 percent in 2011.³⁷

4. Georgia. Georgia has two private-school-choice programs. In 2007, Governor Sonny Perdue signed the Georgia Special Needs Scholarship (GSNS) program into law. GSNS provides scholarships for a private school of choice to students with disabilities. The amount of each scholarship is equal to what was allotted for the child’s public school education, or for the amount of tuition at the child’s chosen private school, whichever is less.³⁸ During the 2009–2010 school year, 2,068 students received scholarships for 168 different private schools under the special needs program. Scholarships averaged \$6,342 per child.³⁹

In 2008, Governor Perdue signed into law the Georgia Tax Credit for Private School Costs and Scholarship Donations program, which allows both individuals and corporations to receive dollar-for-dollar tax credits for donations to Georgia Student Scholarship Organizations (SSOs), which provide scholarships to children for a private school of their parents’ choice. Tax credits are capped at \$1,000 for individuals, at \$2,500 for married couples filing jointly, and at 75 percent of a corporation’s income tax liability.⁴⁰ In 2010, 33 scholarship-granting organizations provided an estimated 6,125 scholarships to Georgia students.⁴¹ In 2011, Governor Nathan Deal signed legislation to strengthen the program

30. Florida Department of Education, “John M. McKay Scholarship Program,” June Quarterly Report 2011, at http://www.floridaschoolchoice.org/Information/McKay/quarterly_reports/mckay_report_june2011.pdf (August 9, 2011).

31. American Federation for Children and Alliance for School Choice, “School Choice: Legislation State by State.”

32. U.S. Department of Education, “Education Options in the States.”

33. Campanella, Glenn, and Perry, *Hope for America’s Children*.

34. Florida Department of Education, “Florida Tax Credit Scholarship Program,” February Quarterly Report 2011, at http://www.floridaschoolchoice.org/Information/CTC/quarterly_reports/ftc_report_feb2011.pdf (August 9, 2011).

35. Florida Department of Education, “Corporate Tax Credit Scholarship Program,” July 2010, at http://www.floridaschoolchoice.org/Information/CTC/files/ctc_fast_facts.pdf (August 10, 2011).

36. Campanella, Glenn, and Perry, *Hope for America’s Children*.

37. American Federation for Children and Alliance for School Choice, “School Choice: Legislation State by State.”

38. Geoffrey Goodman, *School Choice Yearbook 2008–09* (Washington, D.C.: Alliance for School Choice, 2009), at http://www.allianceforschoolchoice.org/UploadedFiles/ResearchResources/Yearbook_02062009_finalWEB.pdf (August 9, 2011).

39. Georgia Department of Education, “2009–2010 Georgia Special Needs Scholarship Program (GSNS): End of School Year Report,” November 3, 2010, at <http://www.doe.k12.ga.us/DMGetDocument.aspx/09-10%20Gen%20Assembly%20Rpt%20v12%20Final.pdf?p=6CC6799F8C1371F68267CABB6D736EA91CDF4916B6C7F90176AC720BE76112A2&Type=D> (August 9, 2011).

40. U.S. Department of Education, “Education Options in the States.”

41. Campanella, Glenn, and Perry, *Hope for America’s Children*, p. 44.

by allowing first-grade students to participate and inserting an annual increase to the statewide cap on tax credits based on the annual increase of the Consumer Price Index.⁴²

5. Illinois. Since 2000, parents have received tax credits for education expenses in the Prairie State. Parents can take a tax credit of up to 25 percent for education-related expenses, including private-school tuition and book fees up to \$500.⁴³ This allows for the maximum \$500 credit when education expenses reach \$2,250. In 2007, the most recent year for which data are available, 238,119 taxpayers received an average credit of \$295.⁴⁴

6. Indiana. Since 2009, Indiana has provided private-school choice to families through the Corporate and Individual Scholarship Tax Credit Program. The program provides tax credits for 50 percent of each dollar contributed to organizations that grant scholarships to children for a private school of their parents' choice. The program is capped at \$2.5 million annually.⁴⁵ Scholarships are targeted at low-income and middle-income families—those with an income at or below 200 percent of the free or reduced-price lunch level.⁴⁶ The program received \$435,000 in donations during the 2010–2011 school year and 219 students received scholarships.⁴⁷

In 2011, Governor Mitch Daniels signed legislation to implement the most far-reaching private-school-choice program in the country. Under this scholarship program, roughly 60 percent of all Indiana students will be able to receive a scholarship to attend a private school of their choice.⁴⁸ To

be eligible, a student's household income cannot exceed 150 percent of the state free and reduced-price lunch level. Those at 100 percent or below will be eligible to receive 90 percent of their state education funding for scholarships, and those whose family's income is between 100 and 150 percent of the free and reduced-price lunch level are eligible for 50 percent of their state education funding. In the first two years of the program, the number of scholarships is capped at 7,500 and 15,000, respectively, but within three years the cap will be completely lifted.⁴⁹

In addition to adding the scholarship program, Indiana also implemented a new tax deduction for up to \$1,000 to help parents pay for education costs, such as school tuition and tutoring.

7. Iowa. Iowa has two private-school-choice programs: a state income-tax credit for tuition expenses and a scholarship tax credit to encourage contributions to scholarship-granting organizations. Residents of the Hawkeye State may receive tax credits for educational expenses, including those incurred at private schools for tuition and textbooks. Parents can take a tax credit of 25 percent for educational expenses, up to \$1,000 per child. Nearly 192,000 taxpayers received education tax credits in 2008.⁵⁰

In addition to the tax credits for educational expenses, since 2006, the School Tuition Organization Tax Credit program has allowed taxpayers to receive an individual income tax credit for contributing to nonprofit organizations that provide scholarships to private schools.⁵¹ Taxpayers receive a tax credit worth 65 percent of their dona-

42. American Federation for Children and Alliance for School Choice, "School Choice: Legislation State by State."

43. U.S. Department of Education, "Education Options in the States."

44. *Ibid.*

45. School Choice Indiana, "Indiana School Scholarship Tax Credit Plan," 2009, at <http://www.inscholarshiptaxcredit.com/faqs.htm> (August 9, 2011).

46. Campanella, Glenn, and Perry, *Hope for America's Children*.

47. *Ibid.*

48. The Friedman Foundation for Educational Choice, "Indiana HB 1003 Overview," at <http://www.edchoice.org/IndianaVouchers> (July 25, 2011).

49. American Federation for Children and Alliance for School Choice, "School Choice: Legislation State by State."

50. The Friedman Foundation for Educational Choice, "School Choice Programs: Iowa—Tax Credits for Educational Expenses," at <http://www.edchoice.org/School-Choice/Programs/Tax-Credits-for-Educational-Expenses-1.aspx> (July 22, 2011).

51. U.S. Department of Education, "Education Options in the States."

tion to the organization that provides scholarships to children from families with incomes below 300 percent of the federal poverty line.⁵² During the 2009–2010 school year, 10,208 scholarships were awarded to Iowa students to attend a private school of their parents' choice.⁵³ Previously, there was a \$7.5 million cap on the aggregate amount of the tax credits, but in 2011, this cap was raised to \$8.75 million.⁵⁴

8. Louisiana. In June 2008, Louisiana Governor Bobby Jindal signed a new private-school-choice program into law, which went into effect for the 2008–2009 school year.⁵⁵ The Louisiana Student Scholarships for Educational Excellence Program provides scholarships for New Orleans children in kindergarten through sixth grade from families with incomes below 250 percent of the federal poverty line. Each school year, an additional grade level will be added to the program. For the 2010–2011 school year, the average scholarship amount was \$4,593,⁵⁶ with a total program appropriation of \$9 million.⁵⁷ During the 2010–2011 school year, over 1,800 students received scholarships and attended 32 different private schools.⁵⁸

In 2008, Louisiana also created the Elementary and Secondary School Tuition Deduction program. This allows Louisiana families to take a 50 percent tax deduction for educational expenses incurred at public or qualified private schools, as well as quali-

fied homeschooling expenses, up to \$5,000 per student.⁵⁹ For Louisiana parents with foster children, a full deduction may be taken for educational expenses, including tuition and fees.⁶⁰ In 2009, over 90,000 families received an average deduction of \$2,621.⁶¹

In 2010, Louisiana also passed legislation to begin a pilot scholarship program for special needs students in grades K–8. Students with an Individual Education Plan (IEP) can receive 50 percent of state per-pupil funding or the amount of tuition for the private school, whichever is less. This program will begin operating in the upcoming 2011–2012 school year.⁶²

9. Maine. Since 1873, students from rural towns in Maine have taken advantage of the state's "town tuitioning" program, which provides scholarships for students to attend a public or private school in an area other than where they live, if their town lacks a public school.⁶³ A 1981 Supreme Court ruling prohibited religious private schools from participating in the program. During the 2009–2010 school year, 5,171 students used the town tuitioning program to attend a public or private school of choice. The maximum tuition rate for students attending private schools during 2007–2008 was \$6,450 for elementary school students and \$8,039 for secondary school students.⁶⁴ Rural towns that send students to other

52. *Ibid.*

53. American Federation for Children and Alliance for School Choice, "School Choice: Legislation State by State."

54. *Ibid.*

55. The Friedman Foundation for Education Choice, "School Choice Legislation," *The School Choice Advocate*, August 2009.

56. The Friedman Foundation for Educational Choice, "School Choice Programs: Louisiana–Student Scholarships for Educational Excellence Program," at <http://www.edchoice.org/School-Choice/Programs/Student-Scholarships-for-Educational-Excellence-Program.aspx> (July 22, 2011).

57. Campanella, Glenn, and Perry, *Hope for America's Children*, p. 49.

58. The Friedman Foundation for Educational Choice, "School Choice Programs: Louisiana–Student Scholarships for Educational Excellence Program."

59. U.S. Department of Education, "Education Options in the States."

60. *Ibid.*

61. The Friedman Foundation for Educational Choice, "School Choice Programs: Louisiana–Elementary and Secondary School Tuition Deduction," at <http://www.edchoice.org/School-Choice/Programs/Elementary-and-Secondary-School-Tuition-Deduction.aspx> (July 22, 2011).

62. Campanella, Glenn, and Perry, *Hope for America's Children*, p. 48.

63. U.S. Department of Education, "Education Options in the States."

districts or to private schools pay tuition directly to the school that receives the incoming student. Approximately 38 percent of students at private schools in Maine were admitted through the town tuitioning program.⁶⁵

10. Minnesota. Minnesota residents can use the K–12 Education Credit Program, which provides tax credits for educational expenses in order to enhance existing school choice options. A tax credit is available for qualified K–12 educational expenses up to 75 percent of the amount spent. The amount of the credit is reduced based on the number of students qualifying per family in those families whose incomes exceed \$33,500. In 2007, 56,642 families took advantage of the tax credit program, claiming an average of \$267.⁶⁶

Families of all income levels can take part in the K–12 Education Deduction Program, which provides tax deductions for private-school expenses. Parents may subtract up to \$1,625 for children through grade six, and up to \$2,500 per child in grades seven through 12. Approximately 276,000 families took advantage of the tax deduction program in 2009.⁶⁷ Minnesota parents cannot claim the same expense for both a tax credit and a tax deduction.

11. North Carolina. In 2011, North Carolina passed legislation to implement its first private-school-choice program, a tuition tax credit program for families of special needs students. This program provides a non-refundable tax credit to parents of up to \$3,000 a semester—\$6,000 a year—for pri-

vate school and other education expenses. There are an estimated 200,000 students in North Carolina eligible for this program.⁶⁸

12. Ohio. As of 2011, Ohio has four private-school-choice programs. Since 1996, disadvantaged children in Cleveland have been eligible for private-school scholarships, which are distributed through a lottery system. Priority is given to children from families with an annual income below 200 percent of the federal poverty line. Previously, scholarships were worth 90 percent of tuition for low-income students, or up to \$3,105, and up to 75 percent of tuition (\$2,588) for other children.⁶⁹ As of 2011, scholarship amounts will be raised to mirror those offered in Ohio's Educational Choice Scholarship Program, leading to increases of between \$800 and \$1,500.⁷⁰ Furthermore, new legislation will now open the program to high school students who did not attend a voucher school in eighth grade.⁷¹ During the 2010–2011 school year, 5,264 students received scholarships totaling more than \$19 million.⁷² The landmark *Zelman v. Simmons–Harris* Supreme Court case upheld the constitutionality of the Cleveland scholarship program in 2002.

Since 2004, the Autism Scholarship Program has also been available to families in Ohio. Qualifying students can receive up to \$20,000 to attend a public or private school of choice to better meet their needs. During the 2009–2010 school year, 1,672 children received scholarships through the Autism Scholarship Program.⁷³

64. *Ibid.*

65. The Friedman Foundation for Educational Choice, "School Choice Programs: Town Tuitioning Program," June 2008, at <http://www.friedmanfoundation.org/schoolchoice/ShowProgramItem.do?id=23> (August 9, 2011).

66. The Friedman Foundation for Educational Choice, "School Choice Programs: Minnesota–Tax Credits and Deductions for Educational Expenses," at <http://www.edchoice.org/School-Choice/Programs/Tax-Credits-and-Deductions-for-Educational-Expenses.aspx> (July 22, 2011).

67. Minnesota Department of Revenue, Tax Research Division, "State of Minnesota Tax Expenditure Budget: Fiscal Years 2010–2013," February 2010, at http://taxes.state.mn.us/legal_policy/Documents/other_supporting_content_2010_tax_expenditure_links.pdf (July 22, 2011).

68. The Friedman Foundation for Educational Choice, "A School Choice First in North Carolina."

69. Campanella, Glenn, and Perry, *Hope for America's Children*, p. 50.

70. School Choice Ohio, "Ohio: The State of School Choice," at http://www.schoio.org/PDF/Special_Edition7-12-11.pdf (July 22, 2011).

71. *Ibid.*

72. Campanella, Glenn, and Perry, *Hope for America's Children*, p. 50.

Since 2006, students attending certain low-performing schools have been eligible to receive scholarships to attend private schools. To qualify for an Educational Choice (Ed Choice) scholarship, students in the Buckeye State must attend or be assigned to a school placed on “academic watch” or “academic emergency” for two out of the past three years.⁷⁴ The scholarships are worth up to \$4,250 for children in kindergarten through grade eight, and up to \$5,000 for students in grades nine through 12. During the 2010–2011 school year, scholarships were provided to 13,195 students to attend a private school of their parents’ choice.⁷⁵ In 2011, Ohio raised the cap on this program from 14,000 to 30,000 and expanded the eligibility requirements to allow more students to participate.

In 2011, Ohio created its fourth private-school-choice program: the Jon Peterson Special Needs Scholarship program. Beginning in 2012, 13,000 scholarships will be available to special needs students, worth up to 90 percent of a child’s education funding (capped at \$20,000). Roughly 260,000 Ohio students will be eligible for this new program.⁷⁶

13. Oklahoma. Oklahoma enacted its first private-school-choice program in 2010. The Lindsey Nicole Henry Scholarship for Students with Disabilities Program provides scholarships in the amount of per-pupil state public education funding or the amount of tuition at the child’s chosen private school, whichever is less. In order to be eligible, students must have an Individualized Education Plan (IEP), as well as have attended an Oklahoma public school the previous year.⁷⁷

In 2011, Oklahoma added another private-school-choice program for low-income students: the Oklahoma Equal Opportunity Education Scholarship Act. This tax-credit scholarship program provides tax credits to individuals and businesses that contribute to scholarship-granting organizations. Students are eligible to receive scholarships of up to \$5,000 or 80 percent of the average per-pupil cost of the school district where they live.⁷⁸

14. Pennsylvania. Since 2001, Pennsylvania has offered businesses a tax credit to encourage charitable donations that fund tuition scholarships through the Educational Improvement Tax Credit. Under this tax credit, corporations receive tax credits for contributions to scholarship organizations worth 75 percent of the amount contributed. However, companies may receive a credit worth 90 percent of their contribution if they pledge to contribute the same amount for two consecutive years.⁷⁹ The amount of tax credits available for contributions is currently capped at \$50 million.⁸⁰ Over 42,000 students received scholarships during the 2009–2010 school year to attend approximately 275 different schools.⁸¹

15. Rhode Island. During the 2009–2010 school year, 460 students received scholarships to attend a private school of their parents’ choice thanks to the Rhode Island Corporate Scholarship Tax Credit program,⁸² which began in 2007. Businesses can receive a tax credit of 75 percent of their contribution to a scholarship-granting organization. To encourage consistency in donations, businesses that match 80 percent of their prior year’s

73. *Ibid.*, p. 51.

74. Dan Lips, “School Choice: Policy Developments and National Participation Estimates in 2007–2008,” Heritage Foundation *Background* No. 2102, January 31, 2008, at <http://www.heritage.org/Research/Education/bg2102.cfm>.

75. Campanella, Glenn, and Perry, *Hope for America’s Children*, p. 49.

76. School Choice Ohio, “Ohio: The State of School Choice.”

77. Campanella, Glenn, and Perry, *Hope for America’s Children*, p. 52.

78. The Friedman Foundation for Educational Choice, “Oklahoma–House Passes School Choice Program with Broad Student Eligibility,” April 26, 2011, at <http://www.edchoice.org/Newsroom/News/Oklahoma-House-Passes-School-Choice-Program-with-Broad-Student-Eligibility.aspx> (August 10, 2011).

79. U.S. Department of Education, “Education Options in the States.”

80. Campanella, Glenn, and Perry, *Hope for America’s Children*, p. 53.

81. *Ibid.*

82. *Ibid.*, p. 54.

donation are eligible to receive a 90 percent tax credit in the second year. Donations are capped at \$100,000.⁸³ Scholarships may be awarded to students from families below 250 percent of the federal poverty line. The scholarship program is capped at \$1 million.⁸⁴

16. Utah. Since 2005, Utah has awarded scholarships to students with special needs through the Carson Smith Scholarship for Students with Special Needs program. Students with disabilities may receive a voucher worth up to \$6,442.50 to attend a private school of choice. During the 2010–2011 school year, 624 students received scholarships to attend a private school.⁸⁵

In 2011, Utah passed legislation to implement its Statewide Online Education Program, which allows students in grades 9–12 to use a portion of their state education funding to participate in online courses. Students can take up to two full-year online courses.⁸⁶

17. Vermont. Since 1869, Vermont has had a “town tuitioning” program similar to Maine’s, which provides scholarships to students from rural areas of Vermont that do not have public schools. Students who receive a tuitioning scholarship may attend a non-religious private school of choice. Like the tuitioning program in Maine, the Vermont program requires the town sending the student to pay the tuition to the school that receives the student. Tuition amounts are based on the average cost to attend a public school: \$8,430 for students in kindergarten to sixth

grade; \$9,645 for students in grades seven and eight; and \$9,773 for students in grades nine to 12.⁸⁷ The tuitioning program, which began in 1869, had 2,459 participants during the 2006–2007 school year.⁸⁸

18. Wisconsin. The longest running private-school-choice program in the country, which began operating during the 1990–1991 school year, is the Milwaukee Parental Choice Program (MPCP). In its first year, 337 students received scholarships.⁸⁹ The program has increased dramatically, and, during the 2010–2011 school year, 20,189 students received a voucher for up to \$6,442 to attend a private school of choice.⁹⁰ In 2011, Governor Scott Walker signed legislation to expand the program. Previously limited to families with incomes at or below 175 percent of the federal poverty line, the scholarships will now be available to students from families who earn up to 300 percent of the federal poverty line—\$67,000 a year for a family of four.⁹¹ The legislation also completely lifted the cap on the number of students who can participate in the program, previously limited to 22,500.⁹²

Along with the expansions to the Milwaukee Parental Choice Program, the governor also signed legislation in 2011 to create a new scholarship program in Milwaukee’s neighboring Racine County. This program will be similar to the MPCP. In the first year, scholarships will be limited to 250 students, then increased to 500 students the following year. After the first two years, however, the cap on participation will be completely lifted.⁹³ An estimated

83. U.S. Department of Education, “Education Options in the States.”

84. *Ibid.*

85. Campanella, Glenn, and Perry, *Hope for America’s Children*.

86. Parents for Choice in Education, “Utah Statewide Online Education Program.”

87. The Foundation for Educational Choice, “Vermont Town Tuitioning Program,” at <http://www.edchoice.org/School-Choice/Programs/Town-Tuitioning-Program-1.aspx> (July 22, 2011).

88. U.S. Department of Education, “Education Options in the States.”

89. Lips, “School Choice: Policy Developments and National Participation Estimates in 2007–2008.”

90. Campanella, Glenn, and Perry, *Hope for America’s Children*.

91. American Federation for Children and Alliance for School Choice, “School Choice: Legislation State by State.”

92. *Ibid.*

93. Mikhail Zinshteyn, “Wisconsin Stepping Closer to Dramatic Expansion of School Voucher Program,” *The Washington Independent*, June 3, 2011, at <http://washingtonindependent.com/110444/wisconsin-stepping-closer-to-dramatic-expansion-of-school-voucher-program> (July 22, 2011).

School Choice Programs for the 2011–2012 School Year

STATE	PROGRAM (YEAR ENACTED)	OVERVIEW
Arizona	Individual Scholarship Tax Credit (1997)	State income tax credit for individuals who make contributions to non-profit organizations that award vouchers to children to attend a private school of their choice.
	Corporate Scholarship Tax Credit (1997)	Tax credits for corporations that make donations to private school tuitioning organizations that award vouchers to children to attend a private school of their choice.
	Education Savings Accounts (2011)	Arizona deposits 90 percent of the state per-pupil education funding into a savings account controlled by parents, which can be used for private school tuition, online education, home schooling, or saving for college.
Colorado	Choice Scholarship Pilot Program (2011)	Vouchers for children to attend private school.
Florida	McKay Scholarship Program (1999)	Vouchers for children with disabilities to attend a private school of their choice.
	Corporate Tax Credit Scholarship Program (2001)	Dollar-for-dollar tax credit to corporations that contribute money to fund private school scholarships for students with disabilities.
Georgia	Georgia Special Needs Scholarship Program (1997)	Vouchers for students with disabilities to attend a private school.
	Georgia Tax Credit for Private School Costs and Scholarship Donations (2008)	Tax credits to individuals and corporations for donations to Georgia Student Scholarship Organizations.
Illinois	Education Expenses Credit (2000)	Tax deductions for education expenses.
Indiana	School Scholarship Tax Credit (2009)	Tax credits for contributions to scholarship-granting organizations.
	School Scholarship Program (2011)	Vouchers for low- and middle-income students to attend private school.
Iowa	School Tuition Organization Tax Credit (2006)	Income tax credits for contributions to scholarship granting organizations.
	Tax Credits for Educational Expenses (1987)	Tax credits for educational expenses, including expenses incurred at private schools.
Louisiana	Louisiana Student Scholarships for Educational Excellence Program (2008)	Vouchers for low-income New Orleans children to attend private school.
	Elementary and Secondary School Tuition Deduction Program (2008)	50 percent tax deduction for families for educational expenses incurred at public or qualified private schools.
	School Choice Pilot Program for Certain Students with Exceptionalities (2010)	Vouchers for students with disabilities to attend a private school.
North Carolina	Tax Credits for Children with Disabilities (2011)	Tax credits for parents of students with disabilities to cover private school and other educational expenses.
Maine	Town Tuitioning Program (1873)	Students whose town lacks a public school can attend a public or private school in another area.
Minnesota	K–12 Education Credit Program (1955)	Tax deductions for educational expenses.
	K–12 Education Deduction Program (1997)	Tax deductions for private school expenses.
Ohio	Cleveland Scholarship Program (1996)	Vouchers for low-income Cleveland children to attend private school.
	Autism Scholarship Program (2004)	Vouchers for children with autism to attend private school.
	Educational Choice (EdChoice) Scholarship Program (2006)	Vouchers for children in low-performing schools to attend private school.
	Jon Peterson Special Needs Scholarship Program (2011)	Vouchers for students with disabilities to attend a private school.

(continued on next page)

Table I • B 2597  heritage.org

School Choice Programs for the 2011–2012 School Year (Continued)

STATE	PROGRAM (YEAR ENACTED)	OVERVIEW
Oklahoma	Lindsey Nicole Henry Scholarship for Students with Disabilities Program (2010)	Vouchers for students with disabilities to attend a private school.
	Oklahoma Equal Opportunity Education Scholarships (2011)	Tax credits for individuals and corporations who contribute money to fund private school vouchers for low-income students.
Pennsylvania	Educational Improvement Tax Credit (EITC) Program (2001)	Tax credits for corporations for contributions to scholarship granting organizations.
Rhode Island	Business Entity Scholarship Tax Credit Program (2008)	Tax credits for corporations for contributions to scholarship granting organizations.
Utah	Carson Smith Special Needs Scholarship Program (2005)	Vouchers for children with special needs.
Vermont	Town Tuitioning Program (1869)	Students whose town lacks a public school can attend a public or private school in another area.
Washington, D.C.	D.C. Opportunity Scholarship Program (2004)	Vouchers for low-income students to attend private school.
Wisconsin	Milwaukee Parental Choice Program (1990)	Vouchers for students in Milwaukee to attend private school.
	Racine Parental Choice Program (2011)	Vouchers for students in Racine County to attend private school (via the Milwaukee Parental Choice Program).

Sources: Heritage Foundation research.

Table I • B 2597  heritage.org

58.4 percent of all Racine families will be eligible for this program.⁹⁴

19. Washington, D.C. In 2004, President George W. Bush signed the D.C. School Choice Incentive Act of 2003, creating the D.C. Opportunity Scholarship Program, which provides scholarships to students from low-income families to attend a private school of choice. Since 2004, families earning less than 185 percent of the federal poverty line have been eligible for the scholarships, with the average income of scholarship families being less than \$23,000 in 2009.⁹⁵ As of 2009, the program was in danger of being phased out, due to language inserted in the December 2009 House appropriations bill by Senator Dick Durbin (D-IL) that banned any new students from entering the program. However, in April of 2011 the program was restored, once

again allowing new students to receive scholarships, and scholarship amounts were increased. Previously set at \$7,500, students in kindergarten to eighth grade will now receive scholarships worth \$8,000, and students in grades nine to 12 will receive scholarships worth \$12,000.

Public-School Choice

In addition to private-school choice, many states now offer families the opportunity to choose the best public schools for their children. The National Center for Education Statistics reports that 73.2 percent of children attend an assigned public school, down from 80 percent in 1993. Sixteen percent of students attended a public school of choice in 2007 (the most recent year for which data are available), compared to just 11 percent in 1993.⁹⁶

94. The Foundation for Educational Choice, "Voucher Victory in Wisconsin," June 26, 2011, at <http://www.edchoice.org/Newsroom/News/Voucher-Victory-in-Wisconsin.aspx> (July 22, 2011).

95. Lips, "School Choice: Policy Developments and National Participation Estimates in 2007–2008."

96. Michael Planty, William Hussar, Thomas Snyder *et al.*, "The Condition of Education, 2009," U.S. Department of Education, National Center for Education Statistics, 2009, at <http://nces.ed.gov/pubs2009/2009081.pdf> (July 22, 2011).

The Education Commission of the States also reports that open enrollment policies are flourishing. Only four states—Alabama, Maryland, North Carolina, and Virginia—have not enacted some form of open enrollment.⁹⁷ Open-enrollment policies can be either *intra*-district, allowing students to choose from schools within their assigned district, or *inter*-district, allowing students to choose schools from outside their assigned district. Some states have mandatory open-enrollment policies that require districts to participate, while other states have voluntary policies, allowing districts to choose whether to participate in a public-school-choice option.⁹⁸

Some school districts have reformed their school-funding systems to provide families with greater ability to choose which school their child attends within the public system. Districts in Baltimore, Los Angeles, Boston, and Chicago, among others, as well as the entire state of Hawaii, have implemented the weighted student formula.⁹⁹

Charter Schools. The proliferation of charter schools has contributed to the increase in the number of children attending a chosen public school. Charter schools, which are publicly funded, are free from many of the rules and bureaucracy governing traditional public schools. Charter schools are held accountable to certain performance standards set by their governing authority. Charter schools generally operate with greater freedom from government regulations than traditional public schools. Charter schools frequently offer innovative curriculum and

pedagogy and provide parents an alternative to their assigned public school.

The Center for Education Reform reports that an estimated 1.5 million children attended charter schools in 39 states and the District of Columbia during the 2009–2010 school year.¹⁰⁰ According to the National Alliance for Public Charter Schools (NAPCS), during the 2010–2011 school year, there were 5,277 charter schools in operation, representing 5.4 percent of all public schools.¹⁰¹ Charter schools are a growing presence in many school districts across the country, and the demand for seats in these schools is high, with roughly 65 percent reporting waiting lists (up from 58 percent in 2008). The NAPCS reports that 61 percent of students in New Orleans attend a charter school, followed by 38 percent of students in the District of Columbia, and 38 percent of students in Detroit.¹⁰² Major cities, such as Dayton and Toledo, Ohio; Kansas City and St. Louis, Missouri; and Minneapolis, Minnesota, all have in excess of 20 percent of students attending public charter schools.¹⁰³ As of July 2011, only 10 states—Alabama, Kentucky, Maine, Montana, Nebraska, North Dakota, South Dakota, Vermont, Washington, and West Virginia—do not have charter-school laws.¹⁰⁴

Homeschooling. Homeschooling is legal in every state and gives families the opportunity to take their children out of the traditional public- or private-school setting, allowing parents or instructors to teach their children at home. Homeschooling has experienced a significant rise

97. Education Commission of the States, “Open Enrollment: 50-State Report,” State Notes, 2011, at <http://mb2.ecs.org/reports/Report.aspx?id=268> (July 22, 2011).

98. *Ibid.*

99. Lisa Snell, “Weighted Student Formula Yearbook,” Reason Foundation, April 2009, at <http://reason.org/files/wsf/yearbook.pdf> (July 22, 2011).

100. Jeanne Allen and Alison Consoletti, “Annual Survey of America’s Charter Schools,” The Center for Education Reform, January 2010, at http://www.edreform.com/download/CER_Charter_Survey_2010.pdf (July 22, 2011).

101. National Alliance for Public Charter Schools, “Public Charter Schools Dashboard: Schools Overview, 2010–2011 National,” at <http://dashboard.publiccharters.org/dashboard/schools/page/overview/year/2011> (July 22, 2011).

102. National Alliance for Public Charter Schools, “A Growing Movement: America’s Largest Charter School Communities,” November 2010, at http://www.publiccharters.org/data/files/Publication_docs/AllianceMarket_Share_Report_FINAL_Nov2010.pdf_20110330T165253.pdf (July 22, 2011).

103. *Ibid.*

104. The Center for Education Reform, “Charter School Laws across the States: 2011 Rankings and Scorecard, 12th Edition,” 2011, at <http://www.charterschoolresearch.com/> (July 22, 2011).

in popularity in recent years. According to the National Center for Education Statistics, nearly 3 percent of school-age children (1.5 million) were homeschooled in 2007 (the most recent year for which data are available), an increase of 36 percent since 2003, and an impressive 74 percent increase since 1999.¹⁰⁵ Other sources suggest that the number of homeschooled students was up to 2.04 million in 2010.¹⁰⁶ Homeschooling is one of the fastest-growing schooling trends in the United States, along with the charter-school movement,¹⁰⁷ and is increasing in popularity among minority populations.¹⁰⁸ Homeschooling continues to proliferate because it provides parents with an additional choice in their children's education. Growth trends suggest that homeschooling will continue to be a popular alternative to traditional public schooling for American families. The ability for parents to provide moral or religious instruction of their choosing, a safe environment, and to provide instruction tailored to meet their children's needs are among the many reasons families cite for choosing to homeschool.¹⁰⁹

Virtual Education. Virtual education and the proliferation of online learning are also providing greater educational choice for families. Most states now offer some form of online learning—from remedial course work to Advanced Placement classes—providing access to courses that would otherwise be inaccessible to many students. Participation

in online learning programs grew 40 percent during the 2009–2010 school year, with approximately 1.5 million students enrolled in online courses during this time.¹¹⁰ According to the International Association for K–12 Online Learning, 48 states and Washington, D.C., offer online learning to their students, and 27 states plus D.C. operate one or more full-time online schools.¹¹¹

The Florida Virtual School (FLVS) is an example of an online learning program that provides a popular and effective learning alternative to a growing number of students in the Sunshine State. FLVS is a state-led, supplemental school, where most students attend traditional public schools, but supplement their course work with classes through the virtual school. The Florida Virtual School enrolled about 97,000 students in over 200,000 courses during the 2009–2010 school year, about a 40 percent increase from the previous year.¹¹² The Florida Virtual School is also producing academic results for students. A report by Florida TaxWatch Center for Educational Performance and Accountability found that students in the Florida Virtual School outperformed their peers in traditional public school on the Advanced Placement exam. FLVS students scored an average of 3.05 on AP exams versus an average score of 2.49 for public-school students.¹¹³ According to the Florida Virtual School Stakeholder Survey 2009–2010, 53 percent of parents believe that

105. National Center for Education Statistics, "1.5 Million Homeschooled Students in the United States in 2007," U.S. Department of Education, December 2008, at <http://nces.ed.gov/pubs2009/2009030.pdf> (August 9, 2011).

106. Brian D. Ray, "2.04 Million Homeschool Students in the U.S. in 2010," National Home Education Research Institute, January 3, 2011, at <http://www.nheri.org/HomeschoolPopulationReport2010.pdf> (July 22, 2011).

107. Lindsey Burke, "Homeschooling Sees Dramatic Rise in Popularity," Heritage Foundation *WebMemo* No. 2254, January 28, 2009, at <http://www.heritage.org/Research/Education/wm2254.cfm>.

108. Milton Gaither, "Home Schooling Goes Mainstream," *Education Next* (Winter 2009), at <http://educationnext.org/home-schooling-goes-mainstream/> (July 22, 2011).

109. *Ibid.*

110. John Watson *et al.*, "Keeping Pace with K-12 Online Learning: An Annual Review of Policy and Practice," Evergreen Education Group, 2010, at http://www.kpk12.com/wp-content/uploads/KeepingPaceK12_2010.pdf (July 22, 2011).

111. *Ibid.*, p. 6.

112. CISCO, "Florida Virtual School," 2010, at <http://www.cisco.com/web/strategy/docs/education/FloridaVirtualSchool.pdf> (July 22, 2011), and John Watson *et al.*, "Keeping Pace with K–12 Online Learning."

113. Florida TaxWatch Center for Educational Performance and Accountability, "Final Report: A Comprehensive Assessment of Florida Virtual School," October 2007, at [http://www.inacol.org/resources/docs/FLVS_Final_Final_Report\(10-15-07\).pdf](http://www.inacol.org/resources/docs/FLVS_Final_Final_Report(10-15-07).pdf) (July 22, 2011).

their children learn more in their FLVS courses than in a traditional school setting, and 31 percent believe their children learn about the same in both settings.¹¹⁴

The North Carolina Virtual Public School (NCVPS) is another example of a strong state online learning program. During the 2009–2010 school year, students were enrolled in 73,658 NCVPS courses, which represented a 369 percent increase from the previous school year.¹¹⁵

The Benefits of School Choice

What the Research Says. A growing body of literature about the efficacy of school choice has emerged in recent years, reporting the empirical evidence in support of offering more educational options to families. Increases in academic achievement, graduation rates, parental satisfaction, and student safety are among the many benefits, which also include placing needed competitive pressure on public schools and producing fiscal savings for states.

Increases in Academic Achievement. In March 2011, researcher Greg Forster conducted an analysis of all “gold standard” random-assignment studies that had been conducted to date on school choice programs across the country. In all, of the 10 random-assignment studies of the effects of school voucher programs on children’s academic achievement in math and reading, Forster found that six had a positive impact on achievement. Three of the studies found that voucher programs benefited some, but not all, participants; one study found no impact on academic achievement. According to Forster, not a single study found a negative effect on student academic achievement.¹¹⁶

Increases in Academic Attainment. School choice significantly increases the likelihood that a child will graduate from high school. Education researcher Patrick Wolf, who conducted and authored a federally mandated evaluation of the D.C. Opportunity Scholarship Program in June 2010, examined the impact of voucher use on the academic attainment rates of participating children. Using a gold standard methodology—examining, over time, two statistically equivalent groups created through random lotteries to determine which applicants would receive scholarships—Wolf and his team of researchers randomly assigned to the treatment group 1,387 students who were offered a scholarship and 921 students to the control group who were not offered a scholarship.¹¹⁷

The evaluation found that the D.C. Opportunity Scholarship Program significantly increased students’ likelihood of graduating from high school. Students who were offered a scholarship through the random lottery (but did not necessarily use it) had a graduation rate 12 percentage points higher than the control group of students who were not offered a scholarship. A full 82 percent of students who were offered a scholarship graduated high school. Just 70 percent of students who were not offered a scholarship graduated high school.

Moreover, Wolf and his team of researchers examined the impact of actual voucher use, finding that students who were offered a scholarship and actually used it to attend private school had a 21 percentage point increase in their graduation rate. Ninety-one percent of students who used a voucher to attend private school graduated high school.¹¹⁸

In March 2011, researchers released an evaluation of the Milwaukee Parental Choice Program

114. Florida Virtual School, “Executive Summary: Stakeholders’ Surveys 2009–2010,” Optimal Performance, Inc., at http://www.flvs.net/areas/aboutus/Annual%20Evaluations/Excu10_v3_r.pdf (July 22, 2011).

115. John Watson *et al.*, “Keeping Pace with K–12 Online Learning.”

116. Greg Forster, “A Win-Win Solution: The Empirical Evidence on School Vouchers,” The Foundation for Educational Choice, March 2011, at <http://www.edchoice.org/CMSModules/EdChoice/FileLibrary/656/A-Win-Win-Solution---The-Empirical-Evidence-on-School-Vouchers.pdf> (July 25, 2011).

117. Patrick Wolf, Babette Gutmann, Michael Puma, Brian Kisida, Lou Rizzo, Nada Eissa, Matthew Carr, and Marsha Silverberg, “Evaluation of the D.C. Opportunity Scholarship Program: Final Report,” National Center for Education Evaluation and Regional Assistance, Institute of Education Sciences, U.S. Department of Education, NCEE 2010-4018, June 2010, at <http://ies.ed.gov/ncee/pubs/20104018/pdf/20104018.pdf> (July 19, 2011).

118. *Ibid.*

on student academic attainment levels. Researcher John Witte led the evaluation of educational attainment levels and post-secondary enrollment rates of Milwaukee Parental Choice Students compared to those of Milwaukee Public School students. Comparing a cohort of ninth-grade voucher students with a “carefully matched” sample of ninth graders in the Milwaukee Public School system, and using parent surveys and school records to glean data on attainment levels, Witte determined that the MPCP, which provides vouchers to approximately 21,000 low-income children in Milwaukee, significantly increased the chances of completing high school for participating children.¹¹⁹

Notably, Milwaukee Public School students had an on-time graduation rate of 69.4 percent; Milwaukee Parental Choice Program students had an on-time graduation rate of 76.6 percent. For those students who remained in either the public school system or the voucher program for a full four years—the duration of their high school experience—75 percent of Milwaukee Public School students graduated high school, compared to 94 percent of Milwaukee voucher students.¹²⁰ Compared to Milwaukee Public School students, Milwaukee voucher students were more likely to graduate high school, had higher levels of college enrollment, were less likely to drop out of school, and overall, had greater levels of academic attainment than their public school counterparts. The researchers note the importance of the academic attainment findings:

That Milwaukee is a large, urban school district only adds to the importance of the question of whether school choice boosts the levels of student attainment. If quality of

life is directly related to educational attainment; if attainment is a direct result of certain schooling conditions to which a student is exposed; and if these schooling conditions may vary as a result of individual parent and student decisions, then the long-term social and economic consequences of school choice programs may be far greater than the impact of such policies on more transitory outcomes like individual test scores.¹²¹

Increased academic attainment levels also hold true for school choice options such as charter schools. A 2009 study by the RAND Corporation, conducted by researcher Ron Zimmer, found that charter schools produced higher levels of academic attainment than traditional public schools. Attainment data on Florida and Chicago charter schools (the two states for which long-term attainment data were available) concludes that “attending a charter high school is associated with statistically significant and substantial increases in the probability of graduating and of enrolling in college.”¹²²

Dr. Patrick Wolf, the lead researcher for the congressionally mandated evaluations of the D.C. Opportunity Scholarship Program, notes that high school graduation is the “Holy Grail of educational interventions in the inner city.” Moreover, Wolf notes that high school graduates live longer, earn higher wages, experience lower rates of unemployment, and are less likely to be convicted of a crime. “If a program boosts the graduation rate, and does nothing else, it’s a success.”¹²³

Greater Parental Satisfaction. A large and growing body of research finds high levels of parental satisfaction as a result of school choice options. As

119. Joshua M. Cowen, David J. Fleming, John F. Witte, and Patrick J. Wolf, “Student Attainment and the Milwaukee Parental Choice Program,” SCDP Milwaukee Evaluation, Department of Education Reform, University of Arkansas, Report No. 24, March 2011, at http://www.uaedreform.org/SCDP/Milwaukee_Eval/Report_24.pdf (August 9, 2011).

120. *Ibid.*

121. *Ibid.*

122. Ron Zimmer, Brian Gill, Kevin Booker, Stephane Lavertu, Tim R. Sass, and John Witte, “Charter Schools in Eight States: Effects on Achievement, Attainment, Integration, and Competition,” RAND Corporation, 2009, at http://www.rand.org/pubs/monographs/2009/RAND_MG869.pdf (August 9, 2011).

123. Lindsey Burke, “Study: DC Opportunity Scholarship Program Benefits Participants,” The Heartland Institute, June 25, 2010, at http://www.heartland.org/full/27877/Study_DC_Opportunity_Scholarship_Program_Benefits_Participants.html (August 9, 2011).

far back as 1998, researchers were finding high levels of parental satisfaction in the Cleveland Voucher Program.¹²⁴ In 2003, an evaluation of the McKay Scholarship Program for special needs children in Florida revealed that 93 percent of McKay participants were satisfied with their voucher schools, compared to just 33 percent of parents with special needs children in public schools.¹²⁵ More recently, increases in parental satisfaction as a result of school choice options have been found in Washington, D.C., Florida, and Milwaukee.

In January 2009, Thomas Stewart and a team of researchers at the University of Arkansas conducted a qualitative evaluation of the experiences of families in the D.C. Opportunity Scholarship Program (OSP). Stewart found that over the duration of the four years the evaluation was conducted, voucher families were consistently satisfied with the D.C. Opportunity Scholarship Program. Notably, the high levels of parental satisfaction were coupled with substantial increases in parental involvement:

By the end of the second year of data collection, it became very clear to us that the vast majority of the families were moving from a marginal role as passive recipients of school assignments to active participants in the school selection process in very practical ways. For example, they were being challenged to collect information about several schools; review this information and use it to refine their choices; and eventually visit schools and engage teachers and administra-

tors in a completely new fashion. This type of thinking and behavior is commonly associated with other big-ticket purchases like homes or cars. Yet, the average family in the OSP does not own a home or car and often has not acquired some of the transferable experiences and skills that are involved with these transactions. This realization suggested that most parents were essentially moving from the margins to the center of their children's academic development.¹²⁶

An August 2009 evaluation of the McKay Scholarship Program in Florida by Greg Forster and Christian D'Andrea found that parents of voucher students were overwhelmingly satisfied with their children's schools. Parents of children with disabilities who were enrolled in private schools through the McKay Scholarship Program were highly satisfied with the amount of individual attention their child was receiving, the quality of their child's teachers, and the level of responsiveness on the part of the private schools. Notably, while just 4 percent of the parents felt "very satisfied" with their children's academic progress when they were enrolled in public school, a full 80 percent of McKay scholarship parents were "very satisfied" with their child's education in their new private school.¹²⁷

Parents of children enrolled in the Milwaukee Parental Choice Program have also reported high levels of satisfaction with their children's voucher school.¹²⁸

Other school choice options, such as charter schools, also significantly increase parental satisfac-

124. Paul E. Peterson, William G. Howell, and Jay P. Greene, "An Evaluation of the Cleveland Voucher Program After Two Years," Harvard Program on Education Policy and Governance, 1998, at <http://www.hks.harvard.edu/pepg/PDF/Papers/clev2ex.pdf> (July 25, 2011).

125. Jay P. Greene and Greg Forster, "Vouchers for Special Education Students: An Evaluation of Florida's McKay Scholarship Program," Manhattan Institute for Policy Research *Civic Report* No. 38, June 2003, at http://www.manhattan-institute.org/html/cr_38.htm (July 25, 2011).

126. Thomas Stewart, Patrick Wolf, Steven Q. Cornman, Kenann McKenzie-Thompson, and Jonathan Butcher, "Family Reflections on the D.C. Opportunity Scholarship Program: Final Summary Report," University of Arkansas, School Choice Demonstration Project, January 2009, at http://www.uaedreform.org/SCDP/DC_Research/2009_Final.pdf (July 25, 2011).

127. Greg Forster and Christian D'Andrea, "An Empirical Evaluation of the Florida Tuition Tax Credit Program," The Friedman Foundation for Educational Choice, August 2009, at <http://www.edchoice.org/CMSModules/EdChoice/FileLibrary/383/FL%20Poll%200709.pdf> (July 25, 2011).

128. Jason Richwine, "School Choice: What Parents Want," Heritage Foundation, *The Foundry*, May 5, 2010, at <http://blog.heritage.org/2010/05/05/school-choice-what-parents-want/> (July 25, 2011).

tion. In June 2010, the U.S. Department of Education released an evaluation of satisfaction levels of parents with children in charter schools. The study revealed that parents of children in charter schools are more satisfied with their children's educational experience and progress than parents of children in traditional public schools.¹²⁹

School choice across the board increases parental satisfaction. A 2007 study by the RAND Corporation found that "Parental satisfaction levels are high in virtually all voucher and charter programs studied, indicating that parents are happy with the school choices made available by the programs."¹³⁰

Increased Student Safety. One of the most frequently cited benefits of school choice, particularly among parents with children in large urban school districts, is student safety. A March 2009 evaluation by the U.S. Department of Education examined the impact of parent reports of school choice on student safety, and found that parents of students in the D.C. Opportunity Scholarship Program viewed their child's new private school to be safer than the public school their child previously attended. While the D.C. Opportunity Scholarship Program did not change student perspectives of school safety, the parents of children receiving vouchers through the OSP gave their children's school significantly higher marks for student safety than parents with children in public school.¹³¹

Positive Impact of Competition. School choice programs increase academic achievement, significantly increase academic attainment, produce greater levels of parental satisfaction than public schools, and increase student safety. But school choice programs have also been found to place healthy com-

petitive pressure on surrounding public schools, creating an education tide that lifts all boats.

In his March 2011 review of the empirical evidence supporting voucher programs, Greg Forster also examined how school choice programs affect public-school performance. Forster found that 18 of the 19 empirical studies conducted to date on the competitive effect of school choice on public schools found that voucher programs improved public-school performance; only one program had no impact.¹³²

In June 2010, researchers David Figlio and Cassandra Hart examined the competitive impact of the Florida Tax Credit (FTC) Scholarship Program on Florida's public schools. The researchers examined the impact of competition by private schools, as a result of the creation of the Florida Tax Credit Scholarship Program, on the test scores of students in surrounding public schools.

Figlio and Hart examined the impact of the tax credit program on public-school student achievement the year the FTC was announced, during which time families were applying for the first time for vouchers to attend private school. Since the examination occurred immediately after the program was announced—before any students used the vouchers to leave their public schools—the researchers were able to precisely isolate the impact of competition. According to Figlio and Hart, "Therefore, any public school changes in this first year of the program, when public school students were applying for vouchers but before they actually used them, can be thought of as a pure competition effect of vouchers."¹³³

129. Phillip Gleason, Melissa Clark, Christina Clark Tuttle, Emily Dwoyer, and Marsha Silverberg, "The Evaluation of Charter School Impacts," Final Report," U.S. Department of Education, NCEE 2010-4029, June 2010, at <http://ies.ed.gov/ncee/pubs/20104029/pdf/20104029.pdf> (August 9, 2011).

130. Brian Gill *et al.*, "Rhetoric versus Reality: What We know and What We Need to Know About Vouchers and Charter Schools," RAND Corporation, 2007, at http://www.rand.org/pubs/monograph_reports/2007/RAND_MR1118-1.pdf (July 28, 2011).

131. Patrick Wolf *et al.*, "Evaluation of the DC Opportunity Scholarship Program: Impacts After Three Years," Institute of Education Sciences, U.S. Department of Education, March 2009, at <http://ies.ed.gov/ncee/pubs/20094050/pdf/20094050.pdf> (July 25, 2011).

132. Forster, "A Win-Win Solution: The Empirical Evidence on School Vouchers."

133. David Figlio and Cassandra Hart, "Competitive Effects of Means-Tested School Vouchers," National Bureau of Economic Research Working Paper No. 16056, June 2010, at <http://www.nber.org/papers/w16056> (July 20, 2011).

The competitive impact of school choice created by the Florida Tax Credit Scholarship Program “positively and significantly related to student performance.” Figlio and Hart found an increase in the math performance of public school students of 0.014 of a standard deviation for each mile the nearest private school moved closer to them. Similarly, reading and math achievement increased 0.02 of a standard deviation as a result of competitive pressure placed on the public schools as the number of surrounding private schools increased. The authors conclude that:

While these estimated effects are modest in magnitude, they are very precisely estimated and indicate a positive relationship between private school competition and student performance in the public schools even before any students leave the public sector to go to the private sector. That is, these results provide a first piece of evidence that public schools responded to the *threat* of losing students to the private schools via the voucher program.¹³⁴

In April 2008, education researchers Marcus Winters and Jay Greene released an evaluation of the impact of competition placed on public schools as a result of the McKay Special Needs Scholarship Program in Florida. Winters and Greene examined the impact of the Special Needs Scholarship Program on the academic achievement levels of disabled students who did not participate in the choice program and remained in the surrounding public schools.

Like the Florida Tax Credit program, the competitive pressure placed on the public school system as a result of increased school choice options through the McKay Scholarship Program increased academic achievement levels. The researchers found that as more and more private schools began participating

in the voucher program, students with disabilities in surrounding public schools made statistically significant improvements in reading and math.

Winters and Greene note that “contrary to the hypothesis that school choice harms students who remain in public schools, this study finds that students eligible for vouchers who remained in the public schools made greater academic improvements as their school choices increased.”¹³⁵

Why School Choice?

For nearly half a century, American public education has been failing millions of children. The past four decades in particular have seen stagnant graduation rates, languishing academic achievement levels, and a persistent achievement gap between white and minority students and low-income and upper-income students.

Graduation Rates. Academic attainment is one of the most important factors in predicting the future life success of a student.¹³⁶ But since the 1970s, graduation rates have remained flat, hovering around 73 percent.¹³⁷ In some of the nation’s largest cities, fewer than half of all students graduate high school.

Academic Achievement. The U.S. Department of Education reports that 34 percent of fourth-grade children are “below basic” in reading, a designation that suggests these children are functionally illiterate. Nationally, 26 percent of eighth-grade children are “below basic” in reading. Of equal concern, 19 percent of fourth-grade children are “below basic” in mathematics nationally; 29 percent of eighth-grade children fall into the “below basic” category. While math achievement has increased modestly, these low levels of reading achievement have persisted for decades, unchanged since the 1970s.¹³⁸

134. *Ibid.*

135. Marcus A. Winters and Jay P. Greene, “The Effect of Special Education Vouchers on Public School Achievement: Evidence From Florida’s McKay Scholarship Program,” Manhattan Institute *Civic Report* No. 52, April 2008, at http://www.manhattan-institute.org/html/cr_52.htm (July 20, 2011).

136. Cowen, Fleming, Witte, and Wolf, “Student Attainment and the Milwaukee Parental Choice Program.”

137. Dan Lips, Shanea Watkins, and John Fleming, “Does Spending More on Education Improve Academic Achievement?” Heritage Foundation *Backgrounder* No. 2179, September 8, 2008, at <http://www.heritage.org/Research/Reports/2008/09/Does-Spending-More-on-Education-Improve-Academic-Achievement>.

Achievement Gaps. The failure of American public education to increase academic performance for nearly half a century has produced abysmal results for the nation's most vulnerable populations: low-income and minority children. While 23 percent of white fourth-graders score "below basic" in reading, 53 percent of black fourth-graders score "below basic." In 2009, 17 percent of white eighth-graders scored "below basic" in reading compared to 44 percent of black eighth-graders.¹³⁹

The achievement gap between low-income children and their middle-income and upper-income peers also persists. In 2009, 49 percent of low-income fourth-grade children nationally scored "below basic" in reading, compared to 34 percent of their peers not eligible for free or reduced-priced lunch.¹⁴⁰

Education Budgets. In 2011, many states face budget shortfalls. Robust school choice options offer the potential for fiscal savings. Not only have school choice programs been proven to increase academic achievement, attainment, and parental satisfaction, in many cases they do so at a far lower cost than traditional public schools. The amount allocated to children for scholarships is typically considerably lower than what their state would spend per pupil in the public schools, saving money for taxpayers and empowering parents with school choice. The D.C. Opportunity Scholarship Program, for example, provides scholarships of \$8,000 to \$12,000 per child, while nearly \$18,000 is spent per pupil in the D.C. Public School System.¹⁴¹

What Congress—and State and Local Policymakers—Should Do

The current one-size-fits-all system of public education, whereby children are assigned, based on

their zip code, to a local public school, fails millions of children every year. But past mistakes need not predicate continued failure. As the late economist Milton Friedman once stated:

Full exercise of choice would invigorate the public school system; would improve it. Competition always has that effect...competition is a way in which both public and private schools can be required to satisfy their customers. In which the bad private schools will fail and the bad public schools will fail. So the fundamental assumption is simple: that competition is better than monopoly.¹⁴²

If we hope to improve education for all children, federal, state, and local policymakers should support policies that expand school choice options for families and put educational power in the hands of parents.

What Congress Should Do. In order to improve American education, Congress should strengthen school choice by:

- **Providing states with flexibility in federal funding.** Those closest to the child—state and local leaders and parents—are best equipped to use education resources in a way that effectively meets students' needs. Instead of a ninth reauthorization of No Child Left Behind (NCLB), Congress should allow states to opt out of NCLB, and use education resources in a way that best meets local needs. For example, the A-PLUS approach would allow states to opt out of NCLB and would create direct accountability to parents and taxpayers, aligning the incentives of states with the needs of families, not the demands of Washington.
- **Simplifying Title I of NCLB, which provides funding to low-income school districts, and**

138. Bobby D. Rampey, Gloria S. Dion, and Patricia L. Donahue, "The Nation's Report Card: Trends in Academic Progress in Reading and Mathematics 2008," National Assessment of Educational Progress, Institute for Education Sciences, U.S. Department of Education, April 2009, at <http://nces.ed.gov/nationsreportcard/pubs/main2008/2009479.asp> (July 26, 2011).

139. Institute of Education Sciences, "State Profiles," U.S. Department of Education, at <http://nces.ed.gov/nationsreportcard/states> (July 26, 2011).

140. *Ibid.*

141. *Ibid.*

142. Lindsey M. Burke, "D.C. Opportunity Scholarship Program: Market Education—Not Monopolies—in the District," Heritage Foundation, *The Foundry*, March 18, 2011, at <http://blog.heritage.org/2011/03/18/d-c-opportunity-scholarship-program-market-education%E2%80%94not-monopolies%E2%80%94in-the-district/>.

allow funding to follow a child to the school of choice. The Title I funding formula should be simplified using a set per-pupil allocation to ensure maximum funding reaches poor children. At the same time, Congress should allow states to make Title I funding portable, permitting funding to follow a child to the school of his parents' choice—public, private, virtual, or otherwise.

What State and Local Policymakers Should Do. States and localities have the primary responsibility for K–12 governance and funding. For this reason, they are best equipped to provide families with options when it comes to how and where they can educate their children. In order to improve American education, state and local leaders should:

- **Expand private school choice options** by enacting or expanding options such as scholarships, vouchers, education tax credits for tuition or scholarship donations, or education savings accounts;
 - **Lift caps on charter schools** and pass strong charter-school laws to encourage a vibrant charter sector that also allows for fully online charter schools;
 - **Expand public-school-choice options** such as school choice within and among school districts;
 - **Expand online learning opportunities** through statewide virtual schools, fully online charter schools, and education savings accounts that can be used for tuition at private online K–12 schools;
- **Create and expand education savings accounts** such as those offered in Arizona and for post-secondary education; and
 - **Protect homeschooling** and implement policies that empower more families to homeschool.

Conclusion

The Wall Street Journal recently crowned 2011 “The Year of School Choice.”¹⁴³ Indeed, state after state—12, plus the District of Columbia—enacted or expanded school choice programs this year. As of August 2011, 18 states and Washington, D.C., now have policies that support private-school choice; public-school choice options continue to grow, millions of children are participating in K–12 courses online, and the homeschooling and charter movements are flourishing.

But more needs to be done. While more than 200,000 children now benefit from school choice options nationally, millions more are trapped in failing and sometimes dangerous government schools. State and local leaders, along with Congress, must work to expand school choice options so that all children—regardless of their family's economic status—have access to a school that meets their needs, and provides a stepping stone to succeed in life.

—Lindsey M. Burke is an education Policy Analyst, and Rachel Sheffield is a Research Assistant, in the Domestic Policy Studies Department at The Heritage Foundation.

143. “The Year of School Choice,” *The Wall Street Journal*.