

RANKING AND SCORECARD 2014

# SCHOOL CHOICE TODAY

**VOUCHER LAWS  
ACROSS THE STATES**

the  
CENTER FOR EDUCATION REFORM



## WHEN IT COMES TO SCHOOL CHOICE, AMERICA'S CHILDREN NEED MORE

### Foreword by Kara Kerwin, President, The Center for Education Reform

**What if in America we had the freedom to choose our schools?** Despite the fact that there has been widespread acceptance and rapid growth in the choices available to families, this central question still remains unanswered for most.

There are, in the U.S. today, over 300 million people, 150 million eligible voters and 50 million K-12 students of which our school-aged population is projected to grow at unprecedented rates over the next 15 years. And yet, amidst all of the various opportunities made available by enacting school choice nationwide, only an estimated 2.5 million students are taking advantage of charter schools, vouchers or tax credits. In fact, out of the nearly three million voucher and tax-credit scholarships made possible by considerable activity in state legislatures over the past few years, maybe ten percent of those opportunities are being utilized by students.

The data beg the question “why?” especially when overwhelming majorities of the American public support school choice.

Simply stated we need MORE. More choices in the types of education available to families, more children sitting in more seats in more schools made available by more choice. Specifically we need more people – moms and dads, community leaders, elected officials – calling for more options.

In order to accelerate the pace of education reform, we must truly understand the importance of good policy. And that is why The Center for Education Reform (CER) took on the challenge of ranking voucher programs across the country because merely having a law on the books does not translate into more and better opportunities for students and families.

CER's analysis and rankings are based on the laws, regulations (of which there are many these days) and administrative guidance that either work for or against schools and families. Our nearly 21-year history of ranking state education laws has proven that knowing how to interpret and implement laws is the most critical element in lawmaking and advancing school choice.

There will no doubt be constructive feedback and debate on this important analysis, but we want to be really clear that taking a more critical look at the various voucher programs and ranking them based on their implementation and participation provides a roadmap for state leaders to bring about substantive and lasting change.

We look forward to your partnership in ensuring that the laws enacted actually create conditions so that school choice can flourish and deliver on the promise that every child can learn.

Sincerely, 

## ANALYZING SCHOOL CHOICE VOUCHER PROGRAMS

In January 2014, the Friedman Foundation for Educational Choice reported that “a record number of families are using taxpayer-funded programs to access private schools.”<sup>1</sup> This growth does not show signs of slowing down, with about one-third of all states this year alone considering some form of school choice legislation ranging from the creation of new programs to the expansion and strengthening of existing programs.

In May 2014, an Associated Press story in the *Indianapolis Star* noted: “Private schools across Indiana are nearing capacity under the state’s three-year-old voucher program, and the space crunch could force lawmakers to consider providing money to expand buildings.”<sup>2</sup> Even while confronting a legal challenge from President Obama’s Department of Justice, Louisiana’s recently-expanded statewide voucher program has tripled the number of students served since 2012. Indiana has doubled the number of vouchers it has awarded to students each year of its program, and Arizona created voucher-funding personal Empowerment Scholarship Accounts that last year expanded to serve thousands of students attending low-performing schools.

Wisconsin’s Speaker of the Assembly in May 2014 declared that that state’s voucher program “never should have had a cap” and promised that “the next time around [in state budget negotiations], that cap will be gone.”<sup>3</sup> Education officials in Ohio investigated – and corrected – district school report card scores that had been manipulated to be inaccurately too high, prohibiting thousands of students from qualifying for tuition vouchers to be redeemed at private schools.<sup>4</sup> In June, Delaware lawmakers were presented a bill that would create a program that mimicked Arizona’s new education savings accounts<sup>5</sup>, and in August a judge ruled for a permanent injunction in North Carolina, therefore not allowing that state’s newly adopted voucher program to begin this school year while challenges from anti-empowerment establishment-types were heard.

Transforming state education funding into school choice vouchers is a direct and clear way to empower parents – particularly low-income parents – with the ability to make educational choices that are the best for their students. No longer are private schools off-limits or out-of-reach for the more than 100,000 students now using school choice vouchers to pay tuition at private schools they choose.

As the momentum grows for vouchers, The Center for Education Reform (CER) felt it was worthwhile to evaluate which features of state programs are better designed to reach more students and empower more parents with real choices about what schools their children can attend. We looked closely at more than two dozen voucher programs in 14 states and the District

1 “U.S. voucher, school choice enrollment reaches record high,” *The Friedman Foundation for Educational Choice*, January 23, 2014, (<http://www.edchoice.org/Newsroom/News/U-S--voucher--school-choice-enrollment-reaches-record-high.aspx>).

2 “Education vouchers are filling private schools,” *Associated Press, Indianapolis Star*, May 4, 2014.

3 “Another view: Promise of voucher expansion will be vital election issue,” *Green Bay Press Gazette*, May 13, 2014.

4 Jennifer Smith-Richards, “School report-card fixes affect voucher eligibility,” *The Columbus Dispatch*, August 1, 2014.

5 Arianna Prothero, “Delaware Bill Would Create School Choice Savings Accounts,” *Charters & Choice, Education Week*, June 12, 2014, ([http://blogs.edweek.org/edweek/charterschoice/2014/06/delaware\\_bill\\_would\\_create\\_school-choice\\_savings\\_accounts.html](http://blogs.edweek.org/edweek/charterschoice/2014/06/delaware_bill_would_create_school-choice_savings_accounts.html)).

of Columbia and determined which of these school choice programs were designed to give the most parents the most power to choose the best educational option for their children. States considering implementing voucher programs – or strengthening ones already on the books – would be well-served by examining the design elements that have led to the success of several state programs, and the components of state voucher program laws that are holding some states back.

Advocating for strong, well-designed school choice voucher laws and knowing how a given proposal rates against enacted programs is important. Minnesotan David Gaither, Executive Director of the International Education Center, one of the largest providers of Adult Basic Education services in the state, former state senator, and chief of staff to then-Governor Tim Pawlenty, said: “Should you be pushing for vouchers? Absolutely. Is it a moral issue? You bet it is. Is it going to happen? I believe it will... Vouchers will become such an important issue [that] legislators will fight to carry the bill.”<sup>6</sup>

This effort to rate state voucher laws builds on the previous work of CER to rank the strength of state charter school laws and laws that have created state tax credit-funded school choice scholarship programs. These are among the components that the Center incorporates into its unique Parent Power Index®, an interactive tool that allows parents to discover to what degree their state affords them access to quality educational options, good information to make smart decisions about their children’s education, and a voice in the systems that surround their child.

## RANKING THE STATES’ PROGRAMS

Important differences exist among the state laws creating voucher programs, factors that significantly affect the number of students eligible to participate in the program and how private schools enrolling voucher students are treated.

### Types of Voucher Programs

States tend to enact private school tuition voucher programs of two types: 1) a “universal” voucher, available to any student who qualifies, typically eligible based on family income; and 2) “targeted” vouchers, available only to students with disabilities, students who attend failing district schools, children in foster care, or some other subset of the general student population.

While these two program types represent the overwhelming majority of state programs, there are other types. Arizona – a frequent leader in choice-based education reform initiatives – in 2011 enacted a form of family education savings accounts appropriately called “Empowerment Scholarship Accounts (ESA).” For qualifying children, the state deposits into their ESA 90 percent of what it would have spent on that student had he or she attended their local district school. Parents and students then can spend those funds not just on private school tuition (though more than 85 percent of ESA funds are used for that purpose), but also on educational services of their

<sup>6</sup> Mitch Pearlstein, *Minnesota’s Immense Achievement Gaps: The Untapped Promise of Vouchers*, Center of the American Experiment, May 2014, p.14.

choice such as tutoring, therapy, textbooks and other curricular material, and online courses.<sup>7</sup>

Maine and Vermont offer unique voucher programs, born not so much out of any public policy decision but more out of necessity. Initiated in the 17th century, these sparsely populated states have numerous towns that don't offer any public high school or even elementary schools. In these towns, parents take advantage of the states' Town Tuitioning Programs that pay a calculated tuition rate (in Vermont's case) or the state's average cost per pupil (in Maine) for parents to seek out schools for their children, including private schools. In more recent years, however, both of these states enacted legislation to prohibit parents from choosing local religious private schools with their vouchers.

The fundamental differences in the types of programs presented a bit of an apples-to-oranges comparison challenge. Yet, we think we've effectively incorporated a rating structure that accommodates these differences and allows an effective and appropriate statement to be made about the state's efforts to empower parents with real choices of schools. In general, voucher programs with a broad reach are viewed as better than those with a narrow focus on a particular student subpopulation, with a restrictive family income eligibility cap, and a tight cap on the number of vouchers allowed to be issued.

### States with Multiple Programs

Another challenge was to effectively combine the effect of a state's voucher programs where more than one exists. In Mississippi, it was not difficult to lump together that state's two specially targeted voucher programs to specific groups of students with identified disabilities (dyslexia and speech/language impairments). In Ohio – where there are two separate special-needs programs, one program for families only in Cleveland, one statewide voucher program, and an expansion of that statewide program with different eligibility requirements and voucher amount – was quite a bit more of a challenge. Overall, we attempted to properly and fairly gauge the entire effect of a state's voucher programs in its total score.

### A Discussion of Voucher Programs' Regulatory Intrusion on Private Schools

The impact of regulatory intrusion by voucher programs on the autonomy of private schools is given additional weight and attention in this evaluation of state voucher laws. This is for good reason: a recent analysis by the Friedman Foundation for Educational Choice noted that “on average...private school voucher programs have regulatory impact scores slightly *more than three times as negative* as the scores of tax-credit scholarship programs” (emphasis added).<sup>8</sup> Another

<sup>7</sup> Lindsey M. Burke, *The Education Debit Card: What Arizona Parents Purchase with Education Savings Accounts*, *The Friedman Foundation for Educational Choice*, August 2013, p.12, (<http://www.edchoice.org/CMSModules/EdChoice/FileLibrary/1015/THE-EDUCATION-DEBIT-CARD-What-Arizona-Parents-Purchase-with-Education-Savings-Accounts.pdf>).

<sup>8</sup> Andrew D. Catt, “Public Rules on Private Schools: Measuring the Regulatory Impact of State Statutes and School Choice Programs,” *The Friedman Foundation for Educational Choice*, May 2014, p.4, (<http://www.edchoice.org/Research/Reports/Public-Rules-on-Private-Schools--Measuring-the-Regulatory-Impact-of-State-Statutes-on-School-Choice-Programs.aspx>).



study found that education tax credit and deduction programs and tax credit-funded scholarship programs had *five times fewer regulations* than voucher programs.<sup>9</sup>

In this analysis, however, the Center for Education Reform has not taken the stance that *all* regulatory requirements of voucher programs on private schools are bad. Indeed, some regulatory requirements – take, for example, mandating that school employees who have oversight of or reasonable contact with students must have criminal background checks performed as screens for crimes against children – serve as protective safeguards rather than coercive mandates.

The Freidman Foundation study noted above also found that nearly two-thirds of the regulations that affect private schools under states' school choice programs *already existed before the school choice program was enacted*. As one example, Indiana and Ohio both allow private schools to be accredited or chartered (as do most other states) apart from any school choice program, and the overwhelming majority are. A requirement for private schools to be accredited to participate in a voucher program therefore is more likely not to be a standard that greatly impinges on their autonomy or serves as a barrier to entry into the program.

Although a 2013 study by the Thomas B. Fordham Foundation concluded that increased regulations make private schools less likely to participate in a state's school choice program, more than half of the private schools eligible to participate in the programs analyzed did so.<sup>10</sup> A deterrent effect from program regulations thus seems to be a little tricky to prove unquestionably. A recent study of Milwaukee's Parental Choice voucher program, the nation's oldest in the modern education reform age, notes that "...implementation of the new high-stakes testing regime had a significant impact on the achievement scores of voucher students."<sup>11</sup> Other studies have shown that requiring schools to publicly report test results also shows similar improvements.<sup>12</sup> Adding this level of accountability, even to free-market-based programs such as vouchers, may result in measurable academic gains and less as a deterrent for private schools to participate in the program.

There also is little doubt that states react – maybe even overreact – with blanket regulatory mandates on private schools in reaction to extremely limited negative occurrences. An instance of fraud at one school, for example, can result in the imposition of numerous new financial oversight and reporting requirements (see Florida, for example). Indeed, it is hard to keep one rotten apple from spoiling the whole barrel.

Here we have taken the stance that some regulatory requirements accompanying school choice voucher programs are not particularly coercive on private schools or are so intrusive to their

9 Andrew J. Coulson, "Do Vouchers and Tax Credits Increase Private School Regulation? A Statistical Analysis," *Journal of School Choice*, vol. 5, no. 2 (2011), p. 225.

10 David A. Stuit and Sy Doan, *School Choice Regulations: Red Tape or Red Herring?*, Thomas B. Fordham Institute, 2013, (<http://www.edexcellence.net/publications/red-tape-or-red-herring.html>).

11 John F. Witte, et al., "High-Stakes Choice Achievement and Accountability in the Nation's Oldest Urban Voucher Program," *Educational Evaluation and Policy Analysis*, June 9, 2014, (<http://epa.sagepub.com/content/early/2014/06/05/0162373714534521.full>).

12 Nick Morrison, "The Free Market Alone Is Not Enough To Improve Schools," *Forbes*, July 9, 2014, (<http://www.forbes.com/sites/nickmorrison/2014/07/09/the-free-market-alone-is-not-enough-to-improve-schools/>).

autonomy as to warrant penalty points in their rating. Requiring participating schools to be accredited, perform criminal background checks on employees who are in contact with students, abide by standard nondiscrimination and health and safety requirements, and others of similar minimal impact all were largely deemed acceptable. More coercive requirements – such as mandating state exams (as opposed to simply requiring that a standardized exam of the school’s choosing be given), dictating certain curricular content, imposing admission standards, and requiring excessively intrusive oversight or reporting – were not. Discussion on the specific factors affecting private school autonomy used in this rating appears in the Methodology section, below.

## Strength of the Laws/Program Design

Important elements of state school choice voucher laws include the following:

- ***What type of student is eligible for a voucher?*** The best state laws allow all students across the entire state to qualify for a voucher. Several programs, however, restrict eligibility to students with special needs, to students attending failing district schools, or to students living in a specific city. Most of the universal voucher programs also require students to be first enrolled in a public district school to qualify for a voucher, excluding even very low-income families that have sacrificed greatly to enroll their child already in a private school.
- ***Are vouchers only for low-income students?*** While most vouchers for special-needs students do not require families to be low-income to qualify for a voucher, most of the universal voucher programs do. The greater the annual income a family is allowed to earn before becoming disqualified for a voucher, the more students that will have access to this form of school choice.
- ***Is there a limit on the number of vouchers that can be awarded?*** The best state laws have no cap on the number of vouchers that can be awarded, allowing parental demand to be fully met. This summer, the first year that North Carolina’s new voucher program was accepting applications, for example, applications well more than doubled the number of available scholarships. Again here, while most targeted voucher programs do not have a limit on the number of vouchers, the broader universal vouchers unfortunately more often are capped.
- ***Will the voucher amount actually cover tuition at a private school?*** Most voucher programs limit the amount of an awarded voucher to the lesser of tuition charged at an admitting school or a chosen fixed amount. When the “lesser of” amount is set at exactly the same amount a state would have spent had the student attended his or her local district public school, it is hard to argue that the policy is unreasonable. In this ranking, state voucher programs that allowed the full public funding to be portable, and qualified that such amount provided could not exceed the tuition charged by an admitting school, the state’s voucher law received the full points available.

- *Is the current level of autonomy enjoyed by private schools over their educational programs preserved while they participate in the program?* Good state voucher programs avoid onerous intrusion into the operation of private schools. Not-so-good laws impose new mandates on participating private schools as a condition of participation, including testing mandates, excessive financial and academic reporting requirements, and admission standards, among others.

The differences among state laws are significant – they affect the depth and breadth of the voucher program, and thus impact how effectively these programs truly empower parents with the ability to choose the best school option for their children. The Center for Education Reform has analyzed each state voucher law, grading them and ranking them according to their strength. The results appear in the table below. Ever since Milton Friedman introduced the concept of school choice in 1955 in an article in an economics public policy journal, and echoed it profoundly in the 1980 publication *Free to Choose*, vouchers have been regarded as the purest form of public-funded school choice. In a nod to that legacy, we have chosen not to grade any state with any voucher program an F in this first edition of our ranking of state voucher laws.

Discussion of the methodology with a link to the detailed scoring rubric follows.

RANKING OF STATE LAWS FOR SCHOOL CHOICE VOUCHER PROGRAMS - 2014			
GRADE	STATE	POINTS <i>(out of 50)</i>	COMMENTS
A	Indiana	31 points	The Hoosier State leads the country, with a universal voucher program open to all students across the state and no limit on the number of vouchers that can be awarded. The state has taken a varied approach to income-eligibility requirements, with the lowest-in-the-nation threshold for typical students, only increasing that threshold for special needs and failing-school students. The state is the second-worst in the country on infringing on private school autonomy, mandating such things as course content and insisting on allowing government observation of classes. With just a bit of reform in these two areas, Indiana would come close to reaching the maximum score possible.
	Ohio	30 points	Ohio has taken a piecemeal approach to its vouchers, enacting five different programs: including one for students with autism, one for other special-needs students, one for residents of Cleveland, and a statewide one. The statewide program was expanded by adding a fifth program in 2013, one that had a tight cap on the number of new vouchers that could be issued. Its tops-in-the-nation number of students participating in voucher programs is a worthy achievement.



GRADE	STATE	POINTS <i>(out of 50)</i>	COMMENTS
A	Wisconsin	30 points	Home of the nation's oldest modern-era voucher program in Milwaukee, Wisconsin has taken a gradual approach to spreading vouchers by first allowing vouchers to be offered to students in the city of Racine (the state's 7th-largest city), and then agreeing to a much-restricted statewide program (both in terms of income eligibility and number of available vouchers) just in 2013. Its strong Milwaukee/Racine programs offer power to parents of approximately 12% of the state's school-aged population.
B	Washington DC	27 points	D.C.'s often-under-assault Opportunity Scholarships voucher program has survived well enough to tie for 4th-strongest program (and 4th-highest percentage of school-aged children receiving vouchers, too). Unfortunately, it also ties for the lowest family income eligibility threshold in the nation, limiting the program's reach.
	North Carolina	27 points	Enacted in 2013, North Carolina's voucher program is amidst the legal challenge of a permanent injunction, issued at the onset of 2014-15, the first year scholarships are available for students. The first round of scholarship applications was more than double the low number (about 2,400) available. Despite the state quickly responding by adding more than 8% to program funds, increasing the number of available vouchers by about 20%, the injunction has halted any scholarship funds from being disbursed.
	Arizona	27 points	Arizona enacted the first program to create personal education voucher accounts. Expanded in 2013 to offer vouchers beyond special-needs students, students in families with active military duty parents, and foster children to now include students in failing public schools, the state capped the number of new vouchers allowed to be handed out along with the expansion. If history is any guide, Arizona will be revisiting that cap once a pattern of parental demand is better known. We can't wait. Neither likely can Florida, which just enacted a similar program, or Delaware, which just proposed one.
C	Louisiana	23 points	Louisiana offers a welcome pairing of a universal voucher program and a special-needs voucher program. The former, however, has such significant regulatory intrusion on private school autonomy – including required open enrollment for voucher students, mandatory state testing, and exclusion of new private schools from participating – that the program falls fast and hard in this ranking.

GRADE	STATE	POINTS <i>(out of 50)</i>	COMMENTS
C	Florida	23 points	Florida has far-and-away the largest special needs voucher program in the nation, with the number of students using vouchers second-highest of any state's programs. Its outstanding tax credit-funded scholarship program may be fulfilling the role of a universal voucher program somewhat; enacting a straight voucher program open to all children would do the state well here, though. The adoption this year of an Arizona-like education savings account (with 2,000 applications in the first month of the program) opens the door for parents spending on educational services other than tuition, but these accounts are still only for students with special needs.
	Georgia	23 points	Offering only a special-needs voucher, Georgia would do well to enact a universal voucher partner program. With no income eligibility standard, no cap on the number of vouchers available, and full public per pupil funding as the voucher value, replicating these rules for a universal voucher program would skyrocket the state's ranking here.
	Oklahoma	22 points	As with Georgia, Oklahoma offers only a special-needs voucher program. With a touch more regulatory intrusion, the Sooner State falls one point behind.
	Colorado	20 points	Private schools in Colorado's Douglas County have yet to enroll a single voucher student as legal wrangling has prevented the program from moving forward. While the universal program boldly does not require a means-test to qualify, only 500 vouchers are allowed for the 62,000-or-so school aged children (less than 1%), and vouchers are valued at only 75% of the state portion of per pupil aid.
	Utah	19 points	Utah offers only a special-needs voucher program, and provides vouchers at two levels of value, one if the student needs three hours or less of service (\$4,300) and one if the student needs more (\$7,105). No accommodation is made if tuition at a private school for a special needs student is any more than that, even for low-income parents.
	Mississippi	19 points	Mississippi's restriction on offering vouchers to students only with two types of disabilities, dyslexia and speech/language issues, makes this voucher program the least expansive in the country. These otherwise well-designed programs would do well to combine and then expand to cover students with all types of special needs. And then adopt a universal voucher program, too. We'll wait.

GRADE	STATE	POINTS <i>(out of 50)</i>	COMMENTS
D	Vermont	18 points	Vermont seems to have found itself among the voucher states largely by default. With its 17th-century Town Tuitioning Program offering vouchers only to students in towns that don't have any district schools, it is a choice offered to parents out of necessity rather than principle. Offering intentional school choice to parents in towns with one or more schools would be a great development to see.
	Maine	17 points	See Vermont, above. Maine's sparsely populated kin gets an extra point because it offers a more tailored (and appropriately generous) voucher than the state average per pupil amount used in Maine.

## Student Participation

Laws that establish strong voucher programs, when effectively implemented, should be able to be validated in part by measuring the strength of participation by families in such programs relative to other states. The better designed the program, the broader and deeper its reach, and the stronger the state's commitment is to it, the greater parents will be empowered with a genuine ability to take advantage of these school choice vouchers.

North Carolina's program went into effect for this coming school year, however a permanent injunction issued at the very start of the school year has prevented any further scholarship funds from being disbursed and so actual student participation totals and rates are not yet known. Similarly, Arizona just expanded its program significantly last year, with the effects yet to be measured in this coming school year. In these states, the newness of what are relatively strong laws prevents student participation rates from being higher than they are. A judge in Colorado has issued an injunction against the voucher program in Douglas County while legal arguments continue, keeping that program from taking effect, creating a zero participation rate under a relatively strong-law program.

These states offer a different participation scenario than in Mississippi, where that state's extremely limited voucher program offered choice to a mere 73 families in 2013-14, or in Oklahoma where its small special-needs voucher program offered choice to only 290 students, neither total large enough to calculate larger than 0.0% as a percentage of total school-aged students in the state.

Meanwhile, the anomaly default-voucher states of Maine and Vermont – providing state-funded vouchers only when a student's town has no district school in it – rank high in terms of percentage of school children serviced by vouchers. Other than that, the strong-law states of Wisconsin, Washington D.C., Indiana, and Ohio indeed are validated by posting robust student participation rates. A table of the full results appears on following page.

## MEASURING STUDENT PARTICIPATION IN VOUCHER PROGRAMS - 2014

RANK	STATE	STUDENT PARTICIPATION			STATE LAW GRADE (RANK [OF 15])
		TOTAL # STUDENTS ENROLLED USING VOUCHERS (2013-14)	AS % OF TOTAL AGE 5-17 POPULATION	POINTS	
1	Maine	5,646	2.9%	12	D (15th)
2	Wisconsin	26,618	2.8%	12	A (3rd)
3	Vermont	2,608	2.7%	12	D (14th)
4	Washington D.C.	1,638	2.3%	10	B (4th)
5	Indiana	19,809	1.7%	8	A (1st)
6	Ohio	29,042	1.5%	6	A (2nd)
7	Florida	27,040	0.9%	4	C (8th)
8	Louisiana	7,020	0.8%	4	C (7th)
9	Georgia	3,400	0.2%	2	C (9th)
10	Arizona	650	0.1%	2	B (6th)
11	Utah	650	0.1%	2	C (13th)
12	Oklahoma	290	0.0%	1	C (11th)
13	Mississippi	73	0.0%	1	C (10th)
14	North Carolina	0	0.0%	0	B (5th)
15	Colorado	0	0.0%	0	C (12th)

## METHODOLOGY FOR STATE RANKINGS

State school choice voucher programs were examined for a variety of characteristics, including student eligibility requirements, the design of the voucher itself, the overall size of the voucher program, and the potential impact on the autonomy of private schools that could result for schools that choose to participate in the voucher program. Each program also was evaluated for how many students participate. The methodology is discussed in detail below, and a link to the scoring rubric used can be viewed [here](#).

### **Differing Program Types; States with Multiple Programs**

As noted earlier, two fundamentally different types of voucher programs – universal, which makes vouchers available to a broad array of students; and targeted, which makes vouchers available only to a select subset of students in specific situations, such as those with special needs or only those attending failing schools – makes direct comparison and ranking of the strength of the programs tricky. For the most part, this analysis compared and scored the two programs separately, allowing targeted voucher programs to earn half of the points available to universal programs. Because universal voucher programs of course would be available to students with special needs, targeted programs were classified essentially as a subset of the broader program option.

Also noted earlier, examining the combined impact in states with multiple voucher programs was challenging, a task that becomes more difficult in states with very different types of voucher programs. In states that had a universal voucher law that ranked at or near the top of the scale and a targeted voucher program, such as a special-needs voucher, the final score awarded for program design was also one at or near the top of the scale. If either component was determined to be relatively weak, a lower total score was awarded. In all cases, however, the strength of the universal voucher program was considered to be a weightier factor.

### **Eligibility Requirements**

School choice voucher programs are deemed better the more students that are eligible to receive scholarships, and eligibility requirements were evaluated for the types of students and situations eligible for vouchers, and the family income limits imposed, if any, for students to be eligible for a school choice voucher.

#### ***Students:***

Voucher programs that are available to all students have a broader reach than those limited to only special needs students, only to students attending schools labeled “failing,” or only to students in selected geographic areas, for example.

- Eight points each were awarded to programs that provided universal vouchers, available to any student, even if a family means test existed, and to programs that were available statewide



rather than just in one city or county. Geographically limited programs that offered blanket eligibility were awarded eight points for the universal nature of the program.

- Two points each were awarded to programs available to student subsets, such as special needs students and students attending failing district schools.
- One point was deducted if the program required students to be enrolled in a local district school to qualify for a voucher, rather than allowing even low-income families making sacrifices to already enroll their children in a private school to be eligible for the assistance that a voucher would provide. Most programs requiring current public school enrollment as a condition of eligibility allow an exception for students just entering kindergarten, children relocated in military families, and other similar thoughtful situations. While softening the harshness of the district school requirement, these exceptions did not exempt programs from the one-point deduction.

In all, up to 20 total points were available as a measure of the breadth of the state's voucher programs to reach its total student population.

### ***Family Income:***

Less restrictive income eligibility criteria on voucher recipients allow more families to participate in the school choice program.

- No targeted voucher program imposed a family income eligibility threshold. Thus, each program was awarded the maximum five points available.
- In contrast, every universal voucher program imposed some level of family income threshold, tied either to the federal poverty rate or families' eligibility for the free reduced-price school meals program. Base income eligibility limits ranged from a low of \$43,568 for a family of four (the eligibility level for free reduced-price school meals program) to a high of \$70,650 for a family of four (300 percent of the federal poverty rate), with some exceptions for even higher amounts for students in designated circumstances. The not-yet operating and limited program in Douglas County, Colorado, has no income limit for eligibility. Universal vouchers with the lowest income eligibility thresholds were awarded six points, programs with the highest thresholds were awarded nine points, and universal programs with no limits received the maximum ten points.

In all, up to ten total points were available for states as a measure of the breadth of the state's voucher programs to families based on income.

### **Program Design**

School choice voucher programs are deemed better the more vouchers that are available to students and the closer those vouchers come to covering the full cost of tuition at a chosen school.

- Targeted programs in most, but not all, states do not limit the number of vouchers that can be issued to designated student population subsets. For the most part, these programs are targeted to students with special needs, and the population of those students relative to the general student population is relatively small, making an uncapped voucher program overall less impactful – and thus easier for typical state policymakers to tolerate – than an uncapped universal voucher program. States could earn up to a maximum of five points for an unlimited targeted voucher program; universal programs were awarded between five and ten points based on the relative number of vouchers allowed under the program.
- Most, but not all, state voucher programs set the value of the voucher as the lesser of full tuition (sometimes tuition and fees) at the student’s chosen school or a fixed amount. It is deemed reasonable for states to establish this “lesser” threshold as the amount of public funds that would have been spent on the student had he or she not participated in the program. States with such configurations for the value of the voucher received the full five points available, with those programs pegging the voucher value lower receiving proportionately fewer points.

In total, states could earn up to 15 points for the strength of the number and amount of vouchers allowed under their laws.

### **Preservation of Private School Autonomy**

School choice voucher programs that do not unreasonably impinge upon the autonomy of private schools are deemed better than those that do (a lengthy discussion of voucher programs’ tendency toward regulatory intrusion on private schools appears earlier in this analysis). Some regulatory requirements accompanying school choice voucher programs were deemed as not being particularly coercive on private schools, not so intrusive to private schools’ autonomy, or not without outweighing benefits as to warrant penalty points in these states’ ratings. These regulations include:

- Requiring participating schools to be accredited;
- Mandating that criminal background checks be conducted on employees who are in contact with students to serve as a screen for crimes committed against children;
- Compliance with standard nondiscrimination and health and safety requirements;
- Requiring that teachers working with students with special needs be appropriately qualified (Washington D.C.’s and Wisconsin’s voucher programs require teachers to have earned at least a Bachelor’s degree, a regulatory condition also determined to be unworthy of penalty points); and
- Submission of an annual financial report reasonably documenting the appropriate use of voucher funds.

More coercive and intrusive requirements that impinge upon private schools' autonomy were eligible to earn state voucher programs penalty points. These include:

- **Testing.** A requirement to administer state-selected standardized exams, which are viewed as a driving force in dictating content. State voucher programs can be assessed up to three penalty points for this mandate. If participating private schools are required simply to administer a standardized assessment of their choosing that best fits the academic program offered, no penalty points are awarded. While some types of private schools (Montessori comes to mind) opt away from any testing, the accountability offered by some form of assessment is deemed to outweigh the potential barrier to program participation this requirement may impose on a very small number of school types.
- **Content and Courses.** Indiana's otherwise strong universal voucher program requires participating private schools to provide civic and character education and to display historical documents. Wisconsin's otherwise strong programs have hours-of-instruction requirements. Such intrusion into private schools' educational programs and operations can be assessed up to three penalty points.
- **Financial Issues.** While annual reporting on the expenditure of voucher funds is deemed acceptable, required submission of private schools to audits by the state, requirements to acquire surety bonds, and other intrusive financial requirements can earn a state's voucher program one penalty point.
- **Academic Reporting and Performance.** Requiring the reporting of student academic performance to parents is deemed acceptable (but almost surely unnecessary across the entire private school sector). Public reporting of test scores, and particularly mandates to meet state-dictated academic performance thresholds, are deemed too intrusive, and earn state voucher programs one penalty point.
- **Barriers to Entry.** The establishment of voucher programs generates the potential for new private school options to be created to serve voucher-receiving students. Some state programs, however, mandate that participating private schools only be those already in existence and serving students. Such barriers to entry for new school options can earn state voucher programs one penalty point.
- **Other Issues.** Some state voucher programs include other regulatory intrusions on private school autonomy, including mandates that state officials be allowed to observe classrooms (Indiana and Washington D.C.), that school administrators receive training in financial management (Wisconsin's Milwaukee program), that private school enrollment be open for voucher students (Louisiana), that schools be required to provide an opt-out of religion classes (Wisconsin), and more. These autonomy-reducing "other" regulatory mandates can earn state voucher programs up to an additional five penalty points.

In total, intrusions on private school autonomy can earn states up to eleven penalty points.

## Other

Other provisions and nuances of school choice voucher programs can particularly contribute to the relative strength of states' programs. This includes the ability to use voucher funds for educational purposes other than private school tuition, such as tutoring, online courses, textbooks and other curricular material, therapy, and more. Such provisions can earn a state voucher program up to an additional five points. On the negative side, state programs that would eliminate the availability of vouchers to students simply by building a district public school in the students' town (as is the case in Maine and Vermont) would make those state programs susceptible to up to five penalty points.

States with multiple voucher programs – Ohio and Wisconsin are prime examples – routinely prohibit students from participating in more than one voucher program at a time. This is deemed a reasonable requirement, and does not earn a state voucher program any penalty points.

## Participation

Voucher programs are deemed better the more students that participate in them, relative to each state's own school-aged population.

- States are awarded points based on the total number of students that are enrolled in a participating school using vouchers as a percent of the state's total age 5-17 population. Two points are awarded for surpassing each 0.5% increment.

## Resources

Resources used in the analysis of state education tax credit-funded scholarship laws, in addition to those cited in footnotes throughout the text, include:

- Relevant state laws.
- *2013-14 School Choice Yearbook*, Alliance for School Choice, 2014, (<http://allianceforschoolchoice.org/yearbook>).
- Leslie Hiner, “BRIEF: School Choice in the States,” State Updates on #SchoolChoice, The Friedman Foundation for Educational Choice, various months, (<http://www.edchoice.org/Blog>).
- Lindsey M. Burke, *The Education Debit Card: What Arizona Parents Purchase with Education Savings Accounts*, The Friedman Foundation for Educational Choice, August 2013, p.12, (<http://www.edchoice.org/CMSModules/EdChoice/FileLibrary/1015/THE-EDUCATION-DEBIT-CARD-What-Arizona-Parents-Purchase-with-Education-Savings-Accounts.pdf>).
- Andrew D. Catt, *Public Rules on Private Schools*, The Friedman Foundation for Educational Choice, May 2014.
- *School Age Population Projections: State Population Estimates 2000-2030, Population Ages 5-17 Years*, ProximityOne, (<http://proximityone.com/st0030sa.html>).
- *The ABCs of School Choice*, The Friedman Foundation for Educational Choice, 2014, ([www.edchoice.org](http://www.edchoice.org)).
- “State & County Quick Facts” (Population Data), U.S. Census Bureau, (<http://quickfacts.census.gov/qfd/index.html>).





The logo consists of two stylized suns, one above and one below the text. Each sun is drawn with a thick, hand-drawn yellow line for the circle and several shorter, radiating lines of varying lengths for rays. The background is a solid green color with a subtle gradient.

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