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# THE ABCs OF SCHOOL CHOICE

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The comprehensive guide to every private  
school choice program in America

**2014** EDITION

**The Friedman Foundation**  
for Educational Choice

**edchoice.org**



## **About the Friedman Foundation for Educational Choice**

The Friedman Foundation for Educational Choice is a 501(c)(3) nonprofit and nonpartisan organization, solely dedicated to advancing Milton and Rose Friedman's vision of school choice for all children. First established as the Milton and Rose D. Friedman Foundation in 1996, the Foundation promotes school choice as the most effective and equitable way to improve the quality of K-12 education in America. The Friedman Foundation is dedicated to research, education, and outreach on the vital issues and implications related to school choice.

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## **Milton Friedman**

Nobel Laureate  
1912-2006

## **Rose D. Friedman**

Noted Economist  
1910-2009

In 1955, Milton Friedman introduced school choice as the best way to improve the quality of American education. In 1996, Milton and his wife, Rose, founded the Friedman Foundation for Educational Choice to make that opportunity available to all families nationwide.

## FROM THE FOUNDER OF SCHOOL CHOICE

Much current discussion of educational vouchers takes it for granted that their primary aim is to improve education for low-income students in urban areas. That would indeed be one of the effects of the full-fledged adoption of vouchers, and it is certainly a worthy objective, but it is very far from the major objective, at least to this supporter of vouchers.

I have nothing but good things to say about voucher programs...that are limited to a small number of low-income participants. They greatly benefit the limited number of students who receive vouchers, enable fuller use to be made of existing excellent private schools, and provide a useful stimulus to government schools. They also demonstrate the inefficiency of government schools by providing a superior education at less than half the per-pupil cost.

But such programs are on too small a scale, and impose too many limits, to encourage the entry of innovative schools or modes of teaching. The major objective of educational vouchers is much more ambitious. It is to drag education out of the 19th century—where it has been mired for far too long—and into the 21st century, by introducing competition on a broad scale. Free market competition can do for education what it has done already for other areas, such as agriculture, transportation, power, communication and, most recently, computers and the Internet. Only a truly competitive educational industry can empower the ultimate consumers of educational services—parents and their children.



Milton Friedman

“Why America Needs School Vouchers”

*The Wall Street Journal*, September 28, 2000

# TYPES OF SCHOOL CHOICE PROGRAMS

## VOUCHERS

Vouchers give parents the freedom to choose a private school for their children, using all or part of the public funding set aside for their children’s education. Under such a program, funds typically expended by a school district would be allocated to a participating family in the form of a voucher to pay partial or full tuition for their child’s private school, including both religious and non-religious options.

## EDUCATION SAVINGS ACCOUNTS

Education savings accounts allow parents to withdraw their children from public district or charter schools and receive a deposit of public funds into government-authorized savings accounts with restricted, but multiple, uses. Those funds can cover private school tuition and fees, online learning programs, private tutoring, community college costs, and other higher education expenses.

## TAX-CREDIT SCHOLARSHIPS

Tax-credit scholarships allow taxpayers to receive full or partial tax credits when they donate to nonprofits that provide private school scholarships. Eligible taxpayers can include both individuals and businesses. In some states, scholarship-giving nonprofits also provide innovation grants to public schools and/or transportation assistance to students choosing alternative public schools.

## INDIVIDUAL TAX CREDITS / DEDUCTIONS

Individual tax credits and deductions allow parents to receive state income tax relief for approved educational expenses, which can include private school tuition, books, supplies, computers, tutors, and transportation.



FUND  
STUDENTS  
FIRST



LET  
PARENTS  
CHOOSE



GREAT  
SCHOOLS  
WIN

# SCHOOLING OPTIONS

## PRIVATE SCHOOLS

Private schools are educational institutions run independently of the government. A private school's focus can be religious-based, academic-intensive, and/or specialized for specific groups of students. Private schools typically charge tuition, but not always. There are more than six million students attending nearly 34,000 private schools in the United States.

Recommended source for additional information:  
Council for American Private Education, [capenet.org](http://capenet.org)

## CHARTER SCHOOLS

Charter schools are independent public schools exempt from many state and local rules and regulations in exchange for increased financial and academic accountability. Charter schools are typically required to adhere to state-based standards and administer the state assessment. Today, 42 states and Washington, D.C., have charter school laws. There are 2.3 million students attending 6,000 charter schools in the United States.

Recommended sources for additional information:  
National Alliance for Public Charter Schools, [publiccharters.org](http://publiccharters.org)  
The Center for Education Reform, [edreform.com](http://edreform.com)

## HOMESCHOOLING

Homeschooling is an alternative form of education for children outside of public or private schools, typically within their own homes. Homeschooling is regulated differently from state to state. In some states, parents are able to create their own curricula, whereas other states require standardized tests, curriculum approval, and regular professional evaluation of students. As of 2007, 1.5 million students were homeschooled.

Recommended source for additional information:  
Home School Legal Defense Association, [hsllda.org](http://hsllda.org)

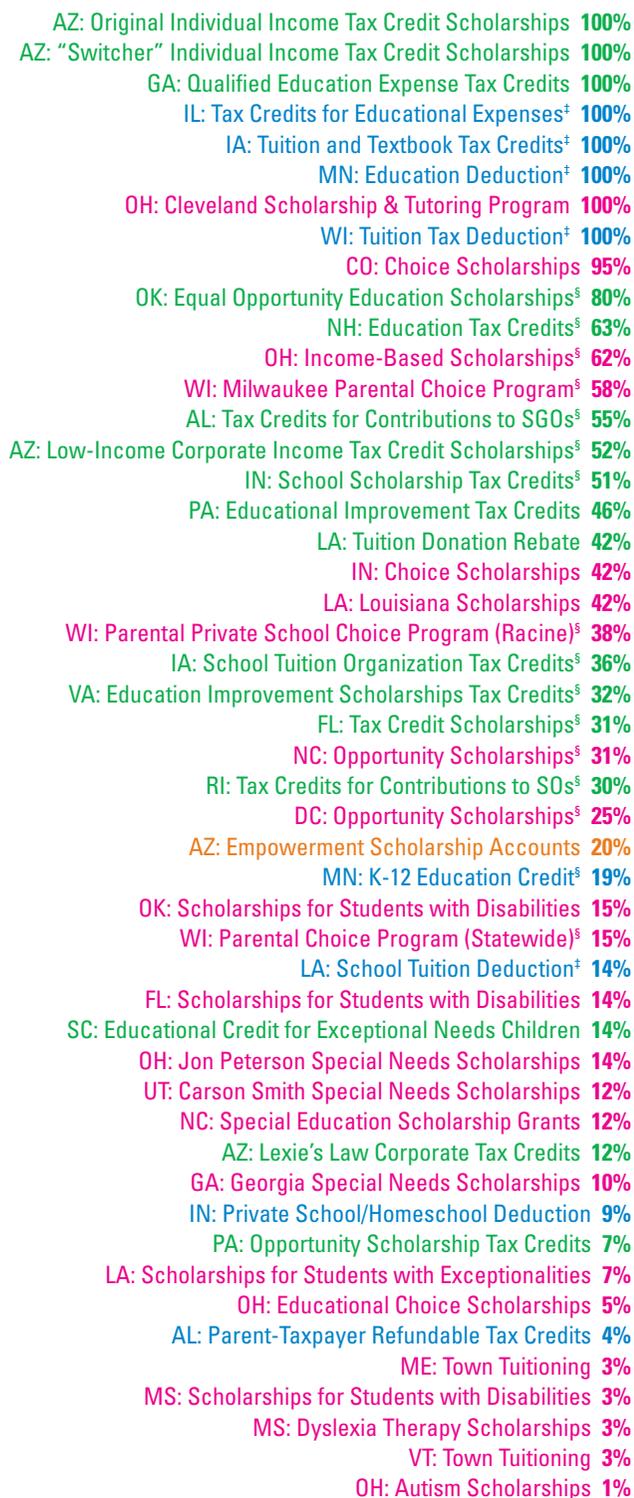
## ONLINE LEARNING

Online learning allows students to work with their curriculum and teachers over the internet—in combination with, or in place of, traditional classroom learning. In 2009-10, there were an estimated 1,816,400 enrollments in distance-education courses in school districts, almost all of which were online courses. That estimate does not include the 275,000 students enrolled in full-time online schools in 2011-12.

Recommended source for additional information:  
International Association for K-12 Online Learning, [inacol.org](http://inacol.org)

# ELIGIBLE POPULATION

AS A PERCENT OF STUDENTS OR PARENTS BASED ON JURISDICTION



■ Voucher ■ Education Savings Account

Eligibility is measured as students unless marked as (‡) families or (§) taxpaying families.

# PURCHASING POWER

AS A PERCENT OF THE STATE'S AVERAGE TOTAL PER-STUDENT FUNDING IN PUBLIC SCHOOLS



 Tax-Credit Scholarship  Individual Tax Credit/Deduction

\*Calculated using potential maximum amount. †Estimate of after-tax financial value.



# ALABAMA

## Alabama Accountability Act of 2013 Parent-Taxpayer Refundable Tax Credits

Passed 2013 • Launched 2013 • Individual Tax Credit/Rebate

Alabama provides a tax credit or rebate to parents who transfer their children enrolled in or assigned to a failing public school to a non-failing public or private school.

### TAX CREDIT VALUE

Parents receive a tax credit worth the lesser of (1) 80 percent of the average annual state cost of attendance for a K-12 public school student during the applicable tax year or (2) their children's actual cost of attending school. If the taxes owed by the parents are less than the total credit allowed, they may receive a rebate equal to the balance of the unused credit.

### STUDENT ELIGIBILITY

Parents who transfer their child from a failing public school to a non-failing public or accredited private school are eligible. Parents with a child who is starting school for the first time in Alabama and zoned to attend a failing public school are also eligible. Alabama defines a public school as failing if it meets one or more of the following requirements: The school is labeled as persistently low-performing by the Alabama State Department of Education; the school is designated as a failing school by the state Superintendent of Education; the school does not exclusively serve a special population of students; or the school has been listed three or more times during the most recent six years in the lowest 6 percent of public K-12 schools on the state standardized assessment in reading and math.

### FRIEDMAN FEEDBACK

The most glaring weakness of Alabama's individual tax-credit program is its eligibility restrictions. Only 4 percent of families in the state can take advantage of the refundable credit. Alabama also should consider amending this program to allow more money to follow participating students. The amount of money parents receive through Alabama's refundable credit is less than the average funding parents receive through private school choice programs in other states. The refundable credit is worth up to 80 percent of what the state spends per student. The sending public school keeps the remaining 20 percent of state funding, in addition to any local or federal money associated with the cost of educating the transferring student. Only a portion of the state money is given to parents in the form of a refundable credit. A good next step would be to allow all of the state money to follow the child to his or her school of choice.

### LATEST STATS

Taxpayers participating: **N.A.**  
Average tax credit/rebate value: **N.A.**

Percent of Alabama K-12 students whose  
parents/guardians are eligible for  
Parent-Taxpayer Refundable Tax Credits

4%



Cornerstone Schools of Alabama (CSA) serves 300 students and has more than 20 years of history providing programs to increase student achievement in inner-city Birmingham. A Christ-centered, IB Primary School, Cornerstone is focused on equipping inner-city students in kindergarten through eighth grade for success in high school and beyond. CSA's graduates earn scholarships to good area high schools and continue on to college. Students are also growing in character, developing leadership skills, and gaining an understanding of personal responsibility. CSA provides a quality, alternative, and affordable education for low-income families, seeking to intervene in the cycle of poverty and crime perpetuated by a lack of access to quality education in the inner-city. CSA's parents pay a small amount in tuition based on a sliding-income scale. Many of CSA's students can benefit from participating in Alabama's new tax-credit program, including some who otherwise would not have had the opportunity. Photo and story provided by Cornerstone Schools of Alabama.



In 2013, students desiring a quality education were given the chance to join Resurrection Catholic School through the Alabama Accountability Act. Every student that joined the Resurrection Catholic School family has eagerly added to the positive life of the school. Three of those school choice students who joined Resurrection were, from the left, Edward, Zykeria, and David, who are members of the school's Ambassadors Club and Event Committee. The hallmark of these new students has been academic achievement and excellence. In addition to the Alabama Accountability Act's school choice provisions, Resurrection Catholic School's generous donors make such enrollments possible. Photo and story provided by Resurrection Catholic School.



## Alabama Accountability Act of 2013 Tax Credits for Contributions to Scholarship Granting Organizations

Passed 2013 • Launched 2013 • Tax-Credit Scholarship

Individuals and corporations can claim a 100 percent tax credit for contributions to approved Scholarship Granting Organizations (SGOs), nonprofits that provide private school scholarships. Individuals and corporations can claim tax credits up to 50 percent of their tax liability; however, individual tax credits cannot exceed \$7,500 per taxpayer or married couple filing jointly. Taxpayers may carry forward a tax credit under this program for three years. The total amount of tax credits awarded statewide is limited to \$25 million.

### STUDENT FUNDING

Each SGO determines the amount of scholarships it distributes.

### STUDENT ELIGIBILITY

Children are eligible to receive scholarships if their family income does not exceed 150 percent of Alabama’s median household income (\$62,361 in 2012) and their family income does not exceed 200 percent of the federal poverty level (\$47,100 for a family of four in 2013-14). Also, qualifying students must (1) be younger than 19 years of age, (2) be public or private school students zoned to attend a public school designated as failing, or (3) have been a non-graduate scholarship recipient in the previous school year under this program, regardless of household income. Alabama defines a public school as failing if it meets one or more of the following requirements: The school is labeled as persistently low-performing by the Alabama State Department of Education; the school is designated as a failing school by the state Superintendent of Education; the school does not exclusively serve a special population of students; or the school has been listed three or more times during the most recent six years in the lowest 6 percent of public K-12 schools on the state standardized assessment in reading and math. If an SGO has scholarship funds unaccounted for on September 15 of each year, scholarships may be made available to low-income students in public school, regardless of whether or not their assigned public school is considered failing.

### FRIEDMAN FEEDBACK

Alabama’s tax-credit scholarship program has a low cap (\$25 million) relative to similar tax-credit scholarship programs in other states. The state should consider allowing automatic increases in the cap each year (similar to Florida’s program). Also, although it is positive the program opens up opportunities for students in non-failing public schools, the bifurcated process for distributing

### LATEST STATS

Students participating: **N.A.**  
Schools participating: **N.A.**  
Scholarship organizations: **N.A.**  
Average scholarship value: **N.A.**

Percent of Alabama families meeting the Tax Credits for Contributions to Scholarship-Granting Organizations’ income requirement

55%

scholarships is difficult to navigate for schools, SGOs, and parents. It remains to be seen how the failing school preference will impact how many students participate. The state should consider dropping the failing school provision altogether to bring clarity to the application process.



Little Flower Catholic School was pleased to be the first Catholic School in Mobile to welcome a student under the school choice provisions in the Alabama Accountability Act. Little Flower's mission is to "...provide a quality Catholic education for all children from diverse economic and cultural backgrounds of the families in the Mobile Metropolitan community." The Student Government welcomed Christian and his mother, Tequila, into the Little Flower Family. Photo and story provided by Little Flower Catholic School.



## Original Individual Income Tax Credit Scholarship Program

Enacted 1997 • Launched 1997 • Tax-Credit Scholarship

Arizona provides a credit on individual income taxes for donations to School Tuition Organizations (STOs), nonprofits that provide private school scholarships. In the 2014 tax year, individual taxpayers contributing to STOs may claim a dollar-for-dollar credit of up to \$528, and married couples filing jointly may claim up to \$1,056. The amount an individual can claim for a credit increases each year by the amount the Consumer Price Index changes.

### STUDENT FUNDING

Scholarship amounts are determined by STOs.

### STUDENT ELIGIBILITY

Students must be in grades K-12 or be a preschool enrollee identified by the school district as having a disability under the Individuals with Disabilities Education Act or Section 504 of the Rehabilitation Act. STOs must consider financial need when awarding scholarships and cannot make decisions based solely on donor recommendations. Individual taxpayers may not make STO contributions earmarked for their own dependents, nor may donors make agreements among one another to “trade” donations for their respective dependents.

### FRIEDMAN FEEDBACK

Arizona’s individual tax-credit scholarship program is one of the most universal programs in the nation. It does not restrict eligibility based on arbitrary family income levels, prior public school enrollment status, or any other factor. The program also excels by not restricting the amount a scholarship can be worth. Every school choice program should provide those opportunities. Another plus of Arizona’s individual tax-credit scholarship program is the lack of red tape placed on participating schools, which must comply with the state’s private school regulations, including health, safety, and nondiscrimination requirements. Where the program could improve is increasing the amount that individual and joint taxpayers can claim as a credit. This improvement would allow for more donations to STOs, which would in turn allow those STOs to increase the number and funding value of scholarships. (Note: This issue is somewhat alleviated by the existence of the “switcher” individual tax-credit scholarship program.)

### LATEST STATS (2011-12)

Students participating: **23,959**

Schools participating: **347**

Scholarship organizations: **49**

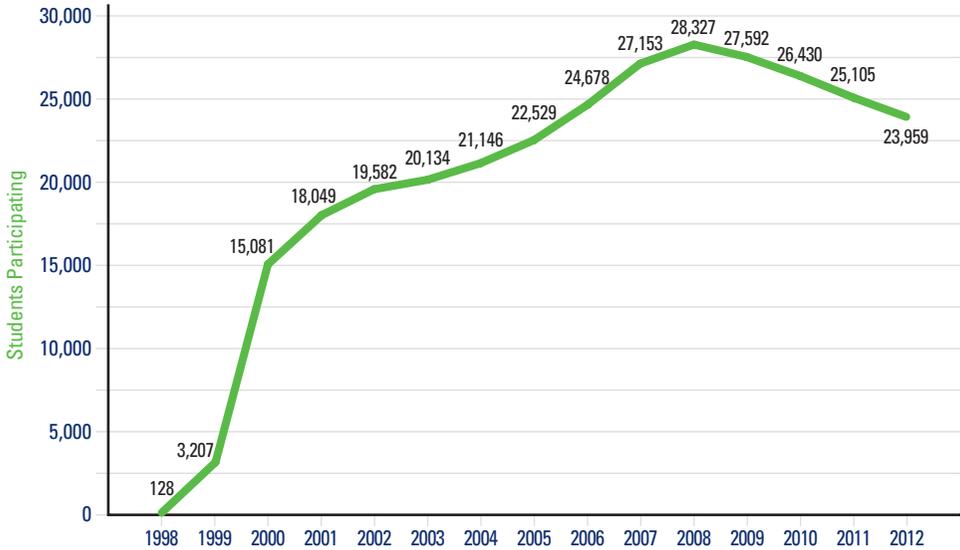
Average scholarship value: **\$1,910**

All Arizona K-12 students are eligible for the Original Individual Income Tax Credit Scholarship Program

**100%**

## ARIZONA

Arizona's Original Individual Income Tax Credit Scholarship Program has awarded more than 130,000 scholarships over the last five years.



Gauge is in first grade and is being raised by his grandparents in a rural Arizona community. They are grateful for the tuition tax-credit programs and accompanied scholarship, which enables them to choose the best educational option for their grandson. Gauge's grandfather is a frequent volunteer at the school and is known as "Papa" to the students and staff. Gauge is thriving both academically and socially at Calvary Christian. His family is thankful that their grandson can get the individualized, quality education he needs to succeed. Story and photo provided by Arizona School Choice Trust.



## Low-Income Corporate Income Tax Credit Scholarship Program

Enacted 2006 • Launched 2006 • Tax-Credit Scholarship

Arizona provides a credit on corporate income taxes for C-Corporations for donations to School Tuition Organizations (STOs), nonprofits that provide private school scholarships. STOs receiving donations for this program must award scholarships to low-income students. Corporate taxpayers contributing to STOs may claim a tax credit equal to the full amount of their contribution. The program is limited to a total of \$35.8 million in available tax credits per year, a figure that is allowed to rise 20 percent annually.

### STUDENT FUNDING

STOs provide varying amounts of student aid. Scholarships are capped at \$4,900 in grades K-8 and \$6,200 in grades 9-12. Those amounts increase annually by \$100.

### STUDENT ELIGIBILITY

All students receiving scholarships under this program must come from families whose household incomes are at or below 185 percent of the federal reduced-price lunch program (\$80,601 for a family of four in 2013-14). Additionally, students must either be (1) enrolled in private school kindergarten, (2) enrolled in a private preschool program for students with disabilities, (3) a public school enrollee for at least 90 days in the previous year or one full semester of the current school year, (4) a dependent of an active-duty member of the military, or (5) a prior scholarship recipient under this program or the individual tax-credit scholarship program.

### FRIEDMAN FEEDBACK

Arizona’s corporate tax-credit scholarship program has room to grow, particularly with student eligibility limited to those with family incomes lower than 185 percent of the reduced-price lunch threshold. On funding power, the total credit cap of \$35.8 million limits both the number of scholarships that can be awarded and the amount of each scholarship (\$1,949 per scholarship in 2011-12), far less than what students receive on average in their public schools. The program’s regulations are reasonable, requiring schools to comply with the state’s private school regulations, including health, safety, and nondiscrimination requirements, and fingerprinting teachers. To make this program more universal, the low-income eligibility requirement would have to be lifted and the cap on available tax credits would need to be removed or dramatically increased. The corporate tax-credit scholarship program also should be expanded to include S-Corporations, which would substantially increase the number and funding value of scholarships.

### LATEST STATS (2011-12)

Students participating: **5,836**

Schools participating: **206**

Scholarship organizations: **21**

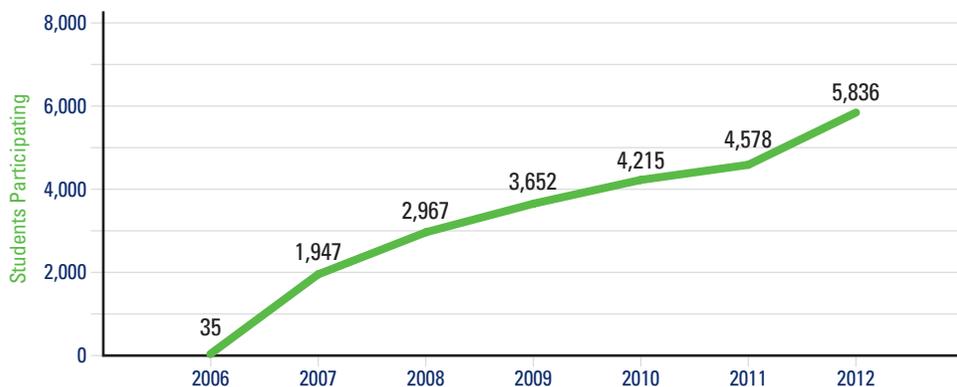
Average scholarship value: **\$1,949**

Percent of Arizona families who meet the Low-Income Corporate Income Tax Credit Scholarship Program’s income requirement

**52%**

## ARIZONA

The number of children participating in Arizona's Low-Income Corporate Income Tax Credit Scholarship Program has nearly doubled in five years.



Six-year-old Josiah is in first grade. A scholarship provided through Arizona's corporate tuition tax-credit program gives his parents, Olga and Jorge, the financial support they need to choose the best education available for their son. Without scholarship assistance, a private school would have been financially out of reach for them. Josiah is now receiving a quality education at Glendale Christian Academy and is thriving with smaller class sizes that allow for more individual attention and higher standards. Olga and Jorge are incredibly grateful they were able to choose a private education for their son. Story and photo provided by Arizona School Choice Trust.



## Lexie’s Law for Disabled and Displaced Students Tax Credit Scholarship Program

Enacted 2009 • Launched 2009 • Tax-Credit Scholarship

Arizona allows corporations to receive tax credits for donating to School Tuition Organizations (STOs), nonprofits that provide private school scholarships to children with special needs and students who are currently, or have been at any time, part of the Arizona foster care system. The total credits claimed cannot exceed \$5 million in a given year.

### STUDENT FUNDING

Scholarship amounts may be awarded up to the lesser of the private school tuition or 90 percent of the state funding that otherwise would go to that pupil had he or she remained in public school. That amount varies depending on the services the student’s disability requires. Individual STOs have discretion to award scholarships of less than the allowed amount.

### STUDENT ELIGIBILITY

Students are eligible if they have been identified by a school district as having a disability under the Individuals with Disabilities Education Act or Section 504 of the Rehabilitation Act, or if they are now, or have ever been, in the Arizona foster care system. Students must also either be an enrollee in a kindergarten or prekindergarten private school program for students with disabilities, a public school student for the prior semester of the current school year or at least 90 days in the previous year, or a dependent of an active-duty member of the military.

### FRIEDMAN FEEDBACK

For Lexie’s Law to improve, the \$5 million cap on tax credits available to donors should be increased. As for funding power, the possibility of receiving 90 percent of state funding is generous; however, the actual average scholarship amount is far less than per-pupil funding in Arizona public schools for all students, not even taking into account the larger amounts usually spent to serve students with special needs. Additionally, the public school attendance requirement prohibits newly diagnosed private school students from accessing scholarships without first un-enrolling from their private school and spending at least 90 days in public school. The program is strong in that it places no special admissions or testing requirements on participating private schools.

### LATEST STATS (2011-12)

Students participating: **119**  
Schools participating: **38**  
Scholarship organizations: **5**  
Average scholarship value: **\$4,921**

Percent of Arizona K-12 students eligible for Lexie’s Law for Disabled and Displaced Students Tax Credit Scholarship Program



## ARIZONA

Slow growth in Arizona's Lexie's Law for Disabled and Displaced Students Tax Credit Scholarship Program may be caused by Arizona's education savings accounts program for children with special needs.



Raymond's parents feel truly blessed to live in a state that offers tax-credit scholarship opportunities for families of children with special educational needs. Raymond tried charter schools, public schools, and online learning, but needed something different. Because of a life-changing scholarship through Lexie's Law, Raymond is now able to attend Pieceful Solutions in Chandler, a private school for children on the autism spectrum. At Pieceful Solutions, Raymond receives the time, attention, and praise he needs to thrive. He is not only growing academically but is learning life skills that will contribute to his success as an adult. Story and photo provided by Arizona School Choice Trust.



## Empowerment Scholarship Accounts

Enacted 2011 • Launched 2011 • Education Savings Account

Arizona’s Empowerment Scholarship Accounts (ESA) program allows parents to withdraw their children from public, district, or charter schools and receive a portion of their public funding deposited into an account with defined, but multiple, uses, including private school tuition, online education, private tutoring, or future educational expenses. In the 2013-14 school year, eligibility expanded beyond the original pool of students with special needs to students assigned to public schools or school districts with a “D” or “F” letter grade, children of active-duty military members, and youth adopted from the state’s foster care system.

### STUDENT FUNDING

ESAs are funded at 90 percent of the charter school per-student base funding. For the 2013-14 school year, that amounts to about \$5,300 for students who do not have special needs.

### STUDENT ELIGIBILITY

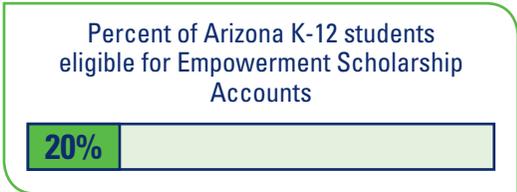
Students must have previously either (1) attended public school for at least 100 days of the prior fiscal year, (2) received a special education tax-credit scholarship from a School Tuition Organization (STO), (3) participated in the ESA program, or (4) received money from an STO under Lexie’s Law. However, students eligible to attend kindergarten do not need to meet those requirements if they otherwise qualify for the ESA program. New accounts are capped at 0.5 percent of the previous year’s total number of public and charter school students; that cap is removed in 2019.

### FRIEDMAN FEEDBACK

Arizona’s ESA program is relatively strong on its funding power, as 90 percent of the charter school per-student base funding amount is deposited in each participant’s ESA. Arizona’s ESA program also excels in that it is not over-regulated; ESA-using parents must sign an agreement to provide an education including reading and grammar, math, social studies, and science, and participating private schools or service providers must not discriminate. The program could improve by expanding eligibility. The 2013-14 eligibility expansion no doubt gets closer to providing eligibility to all Arizona families, but despite that expansion, more than 75 percent of children in Arizona still are ineligible for ESAs. Additionally, the arbitrary cap of 0.5 percent of traditional public and charter school enrollment restricts even the current 20 percent eligible from enrolling.

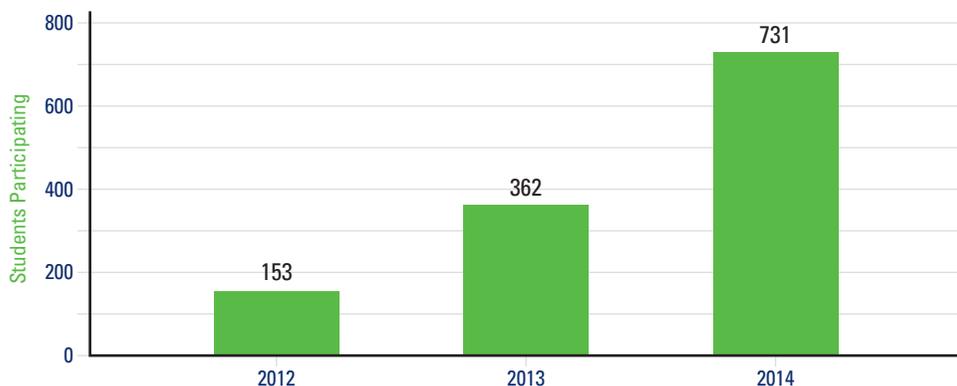
### LATEST STATS (2013-14)

Students participating: **731**  
Schools participating: **75**  
Average annual award value:  
**\$14,500** (projected)



## ARIZONA

Enrollment in Arizona's one-of-a-kind education savings accounts program has more than doubled each year since its enactment.



Nathan uses Arizona's education savings accounts (ESA) to attend Lauren's Institute for Education, a private school that specializes in helping students diagnosed with autism. Before using an ESA, Nathan could not speak and needed regular one-on-one attention, as he would get over-stimulated in noisy areas. Today, Nathan speaks in full sentences and enjoys the subjects of science and social studies. "It's wonderful to finally be able to communicate with my son," said Nathan's mom, Amanda. "I wouldn't have been able to send him to Lauren's Institute if it weren't for the education savings account. It's provided him the environment that he really needs to succeed." Photo and story provided by the Goldwater Institute.



## “Switcher” Individual Income Tax Credit Scholarship Program

Enacted 2012 • Launched 2012 • Tax-Credit Scholarship

Arizona’s “switcher” tax-credit scholarship program supplements its original individual tax-credit scholarship program. The switcher program provides a credit on individual income taxes for donations to School Tuition Organizations (STOs), nonprofits that provide private school scholarships. In tax year 2014, individual taxpayers contributing to STOs under this switcher may claim a dollar-for-dollar credit of up to \$525, and married couples filing jointly may claim up to \$1,050. However, taxpayers must first donate the maximum credit amount for the Original Individual Income Tax Credit (\$528 individual, \$1,056 joint) before the switcher credit can be claimed.

### STUDENT FUNDING

Scholarship amounts are determined by STOs.

### STUDENT ELIGIBILITY

Students must be in grades K-12 or be a preschool enrollee identified by the school district as having a disability under the Individuals with Disabilities Education Act or Section 504 of the Rehabilitation Act. Although there is no means-testing for eligibility, STOs must consider financial need when awarding scholarships and cannot make decisions based solely on donor recommendations. Individual taxpayers may not make STO contributions earmarked for their own dependents, nor may donors make agreements among one another to “trade” donations for their respective dependents.

### FRIEDMAN FEEDBACK

Arizona’s switcher tax-credit scholarship program, in conjunction with its original individual tax-credit scholarship program, is one of the most universal programs in the nation. It does not restrict eligibility based on arbitrary family income levels, prior public school enrollment status, or any other factor. The program also excels by not restricting the amount a scholarship can be worth. Another plus of Arizona’s switcher program is the lack of red tape placed on participating schools, which must comply with the state’s private school regulations, including health, safety, and nondiscrimination requirements. Where the program could improve is increasing the amount that individual and joint taxpayers can claim as a credit. This improvement would allow for more donations to STOs, which would in turn allow those STOs to increase the number of scholarships and amount of each scholarship awarded.

### LATEST STATS

Scholarships awarded: **N.A.**  
Schools participating: **N.A.**  
Scholarship organizations: **N.A.**  
Average scholarship value: **N.A.**

All Arizona K-12 students are eligible for the “Switcher” Individual Income Tax Credit Scholarship Program

**100%**



Madeleine's family is thrilled to be able to send their daughter to 91st Psalm Christian School in Phoenix. With smaller class sizes allowing her to focus and a safe and loving environment, Madeleine is overcoming educational challenges and is a thriving sixth-grade student. Scholarships through Arizona's tax-credit programs have provided this Arizona family with the privilege of choosing the best educational option available for Madeleine. Story and photo provided by Arizona School Choice Trust.



## Douglas County Choice Scholarship Pilot Program

Enacted 2011 • Launched 2011 • Voucher

The Douglas County Colorado Choice Scholarship Pilot Program provides 500 tuition vouchers to any public school students who have spent at least one year enrolled in the Douglas County School District. The program is subject to annual renewal or cancellation by the school board. If more than 500 students apply for vouchers, a lottery is held. Participating private schools can be located outside Douglas County, but students may not use the vouchers for online schools or homeschooling. Parents and community members, appointed by the school board, provide oversight. Currently, the program is not operating pending the final decision of the Colorado Supreme Court.

### STUDENT FUNDING

Eligible students can receive a voucher worth the lesser of the private school tuition or 75 percent of the per-pupil public revenue (\$4,575 in 2011-12). A family is allowed to supplement the voucher with additional funds.

### STUDENT ELIGIBILITY

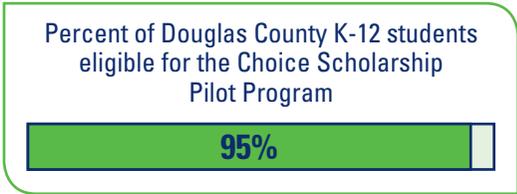
Students must be residents of the Douglas County School District (DCSD) for at least one year, and must currently attend a DCSD public school. Non-residents who have chosen to enroll in DCSD public schools are not eligible.

### FRIEDMAN FEEDBACK

The Choice Scholarship Pilot Program, the nation’s only voucher program authorized by a public school district, allows any child attending a Douglas County public school to be eligible for a voucher. Still, the innovative program could improve in several areas. First, the program is too limited by the 500-student cap. Second, Douglas County’s vouchers treat private school students unfairly by funding them significantly below what they would get in their local public schools. Finally, numerous regulations have been imposed on private schools that accept voucher students. Participating private schools must (1) show that students are achieving and growing academically to remain eligible, (2) provide three years of financial history, (3) release students for state or district assessments, and (4) allow voucher students to opt-out of any religious activities. For the program to grow, district leaders should consider removing the enrollment cap, increasing the per-voucher funding amount, and giving private schools more autonomy.

### LATEST STATS (2011-12)

Students participating: **494**  
Schools participating: **21**  
Average voucher value:  
**\$1,143** (one-fourth of school year)





Members of the Douglas County School Board—from the left, Craig Richardson, Justin Williams, Meghann Silverthorn, Kevin Larsen (president), Doug Benevento (vice president), Judith Reynolds, and Dr. James Geddes—won a high-stakes election in Colorado in 2013 for their support of education reform and school choice. The Douglas County School Board is the only such body in the United States to authorize a school voucher program for district students.

“We believe in public education, but we believe in publicly funded education,” John Carson, the previous president of the Douglas County School Board, told the Friedman Foundation in November 2013. “There’s no reason government has to be the monopoly in providing that education. (Milton Friedman) really was the first leading thinker who said we can improve public education by bringing market forces into the equation. Milton Friedman set the path on how we can effectively reform education and put the interests of parents and students first.”

The “DougCo” vouchers are temporarily on hold while a legal challenge to the program heads to the Colorado Supreme Court (see the program’s legal history on page 109). In the meantime, the Colorado-based ACE Scholarships stepped in and provided tuition assistance to the students who were participating in Douglas County’s Choice Scholarship Pilot Program. Photo courtesy of Gill Photography (Castle Rock).



# DISTRICT OF COLUMBIA

## Opportunity Scholarship Program

Enacted 2004 • Launched 2004 • Voucher

The District of Columbia’s Opportunity Scholarship Program provides vouchers to low-income students. Overseen by the U.S. Department of Education, the program is funded separately from D.C. public and charter schools. It is authorized through 2016, with \$20 million in total available funding.

### STUDENT FUNDING

Vouchers are worth up to \$8,256 for K-8 students and \$12,385 for students in grades 9-12. Those amounts rise with the Consumer Price Index. Vouchers first pay for tuition, with any leftover amount available for certain qualified fees that schools may require.

### STUDENT ELIGIBILITY

Families must be current D.C. residents. Additionally, families must either receive benefits under the Supplemental Nutrition Assistance Program (SNAP) or earn no more than 185 percent of the federal poverty level when they enter the program (\$43,568 for a family of four in 2013-14). Students may continue to receive vouchers in later years if their household income does not rise above 300 percent of the poverty level. Students are given priority if they come from public schools in need of improvement, or if they or their siblings already are participating in the program. They may use vouchers only to attend private schools located in D.C.

### FRIEDMAN FEEDBACK

The District of Columbia’s voucher program, the first and only such program authorized by Congress, awards vouchers to only 2,000 students per year because of a relatively small annual budget. Many families who otherwise qualify for the program are unnecessarily denied the ability to choose schools for their children, as evidenced by the annual lottery and resulting waitlist for the vouchers. On funding, the program’s vouchers are worth less than 40 percent of the average \$25,426 revenue available to each D.C. public school student; all D.C. students should receive equal funds regardless of the educational option (public, charter, or private) their parents choose. The Opportunity Scholarship Program also places a number of regulatory burdens on schools: Private schools lose autonomy over admissions; participating students are required to take a nationally norm-referenced test (although private schools are not required to administer the tests); and schools must permit one site visit per year by the DC Children and Youth Investment Trust. For the program to improve, funding should be expanded beyond the current \$20 million to allow more families to participate.

### LATEST STATS (2012-13)

Students participating: **1,638**

Schools participating: **46**

Average voucher value:

**\$8,483** (2011-12)

Percent of District of Columbia families meeting the Opportunity Scholarship Program’s income requirement

**25%**

## DISTRICT OF COLUMBIA

Although the District of Columbia's voucher program has demonstrated volatility over time, participation has grown 61 percent since 2011.



Thanks to the Opportunity Scholarship Program, Joshua, twins Jacob and Shanice, Jonathan, and twins Selena and Joseph have been able to attend private school since kindergarten, at The Bridges Academy in Washington, D.C. The oldest of the siblings is now enrolled at Archbishop Carroll High School. Sadly, the siblings lost their father and fighter for school choice a year ago to cancer. However, their mother, Ann-Marie, is thankful her children have school choice and are able to accomplish their dreams through the Opportunity Scholarship Program. Story and photo provided by Ann-Marie Ambrose.



# FLORIDA

## John M. McKay Scholarships for Students with Disabilities Program

Enacted as Pilot Program in 1999 • Expanded 2000 • Voucher

Florida’s John M. McKay Scholarships for Students with Disabilities Program allows public school students with disabilities or 504 plans to receive vouchers to attend private schools or other public schools.

### STUDENT FUNDING

Vouchers are worth the same amount public schools would have spent on a participating child, though funding may not exceed the private school’s tuition and fees. Parents may supplement vouchers with their own money.

### STUDENT ELIGIBILITY

Students with disabilities—who have Individualized Education Plans or a 504 plan—enrolled in public school for at least one year are eligible. Section 504 protects qualified individuals with disabilities, defined as persons with a physical or mental impairment that substantially limits one or more major life activities.

### FRIEDMAN FEEDBACK

Florida’s John M. McKay Scholarships program was the first of its kind in the country, and remains the model for similar, newly created programs in other states. The program excels on funding power and school requirements: Vouchers are worth up to the child’s full funding in his or her previous public schools. As for school requirements, participating schools must be approved by the state and report to parents annually on voucher students’ progress. Private schools are not required to accept all students—an important feature, as not all private schools are equipped to educate students with special needs. The program’s only shortcoming is that it is limited, in this case to students with special needs. Obviously those children deserve access to a great education, but other Florida students similarly could benefit from McKay’s generous vouchers. Should the program expand eligibility, it would only improve upon its already great achievements.

### LATEST STATS (2013-14)

Students participating: **27,040**

Schools participating: **1,226**

Average voucher value:

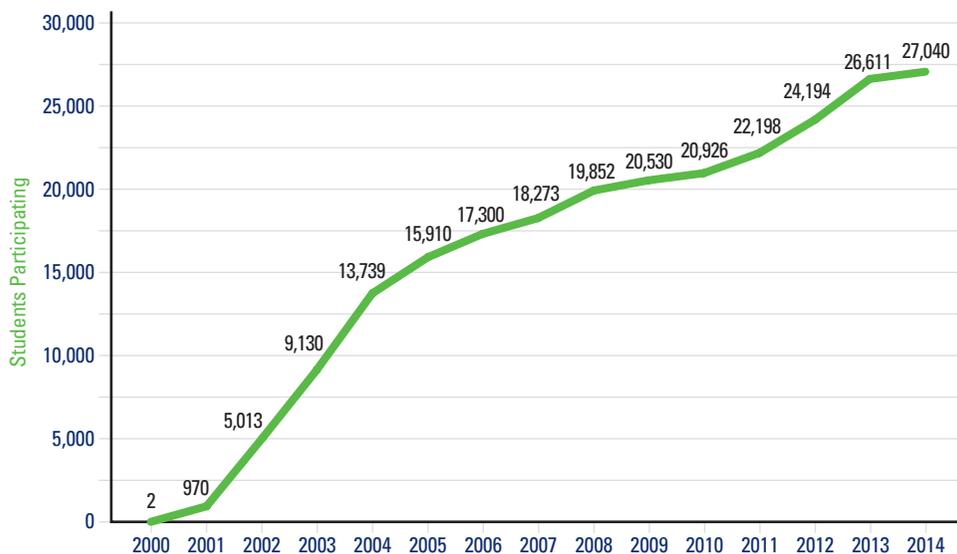
**\$6,744** (projected)

Percent of Florida K-12 students eligible for the John M. McKay Scholarships for Students with Disabilities Program

**14%**

## FLORIDA

Florida's John M. McKay Scholarships for Students with Disabilities Program has provided more than 120,000 vouchers over the last five years.



Logan was going to be retained in fourth grade for the second time or “pushed forward” because his previous school decided he “couldn’t learn.” His parents were not satisfied with that answer or their options, as they lived in a small, rural county without many resources. So, they began to research other options. They discovered Woodland Hall Academy, a private school for bright students with dyslexia and related language disorders. It required a 55-mile trip each morning and afternoon but they felt this was the best option. “The McKay Scholarship Program has allowed us to place our child in the best learning environment,” Logan’s father said. “The different approach and teaching techniques used by Woodland Hall Academy have allowed our child to learn and succeed where conventional approaches weren’t effective.” Logan is now in eighth grade and is taking pre-algebra and grade-level content courses. He has far surpassed the public schools’ special diploma track. Having choice in education has allowed Logan to have a much brighter future. Story and photo provided by Woodland Hall Academy.



# FLORIDA

## Florida Tax Credit Scholarship Program

Enacted 2001 • Launched 2001 • Tax-Credit Scholarship

Florida provides a tax credit on corporate income taxes and insurance premium taxes for donations to Scholarship Funding Organizations (SFOs), nonprofits that provide scholarships for low-income students and children in foster care and offer funds for transportation to public schools outside a child’s district. Businesses get a dollar-for-dollar tax credit for SFO contributions, with total credits capped at \$286.25 million. Unused credits can be carried forward to the next fiscal year.

### STUDENT FUNDING

Scholarships can be worth up to \$4,800, though they may not exceed private school tuition and fees. Transportation grants for public schools are worth up to \$500.

### STUDENT ELIGIBILITY

Students who qualify for free and reduced-price lunch (\$43,568 for a family of four in 2013-14) and who either are enrolled in public school or about to enter kindergarten through fifth grade are eligible. Students in foster care also qualify. If students’ household incomes rise, they can stay in the program under full scholarship as long as their family earns no more than 230 percent of the poverty level.

### FRIEDMAN FEEDBACK

Florida’s tax-credit scholarship program, although the country’s largest in terms of enrollees, still is restricted just to students who qualify for free and reduced-price lunch or who are in foster care—which leaves many students seeking a private education ineligible. Moreover, the program’s available funding is capped at \$286.25 million, which limits scholarships to around only 1 percent of the state’s students; fortunately, that cap is allowed to increase by 25 percent if 90 percent of the cap is reached. Similarly, with funding power, the per-student funding cap on scholarships is allowed to grow, another plus. On school requirements, the program requires schools to have state approval and administer a nationally norm-referenced test to scholarship students. For the Florida Tax Credit Scholarship Program to build beyond its current success, increasing student eligibility would be a good first move.

### LATEST STATS (2013-14)

Students participating: **59,674**  
Schools participating: **1,414**  
Scholarship organizations: **1**  
Average scholarship value:  
**\$4,663** (projected)

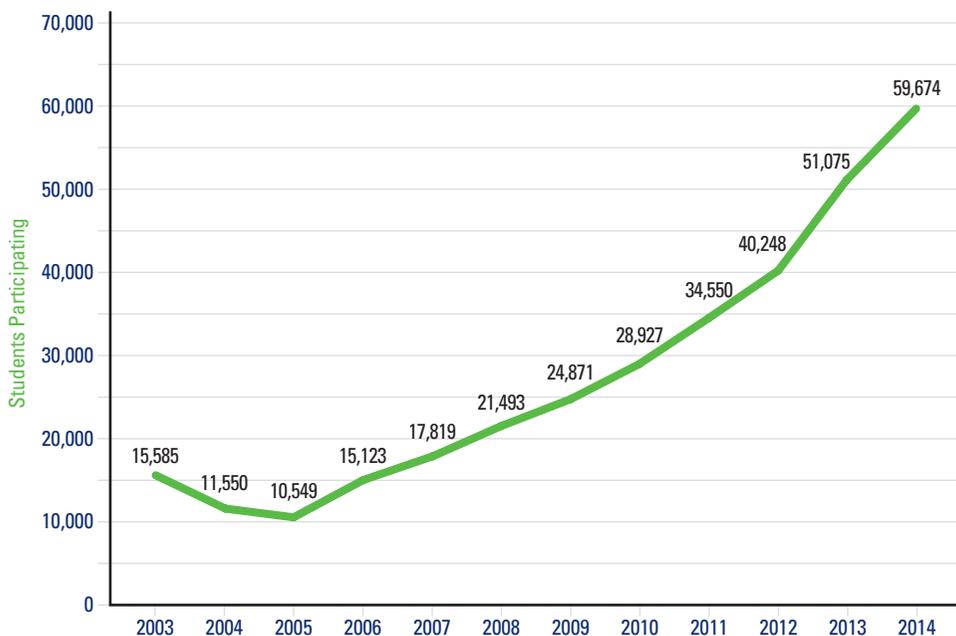
Percent of Florida families\* meeting the Florida Tax Credit Scholarship Program’s income requirement

**31%**

\*Each foster care student counted as a separate family

## FLORIDA

Since 2012, there has been a participation increase of 48 percent in the Florida Tax Credit Scholarship Program.



Maria, left, and Dayanna, right, were born a minute apart and have been nearly inseparable ever since. With their parents' hopes of a better life, the delightful twin girls' story starts with a hopeful, but risky journey inside their mother's womb from Cuba in a makeshift boat destined for the United States. The twins were nearly lost before they could take their first breaths when the boat their family traveled in got stranded on a Bahamian island before it ever reached Florida's shores. But the family made it. Now the girls are preparing to graduate from Champagnat Catholic School in Hialeah. They have been able to attend the private school since third grade, and when they needed help because of financial strains as the girls were preparing to start their high school years, they received a Step Up For Students tax-credit scholarship, which will carry them through to their graduation in the spring of 2014. Maria and Dayanna are convinced if they stayed in their neighborhood school they would have dropped out. Maria had a hard time concentrating, and Dayanna had a hard time fitting in. Now, both plan on attending colleges separately—a big change for the young ladies. Maria is considering a career in business or science and Dayanna

hopes to attend a culinary arts school and perhaps one day open her own bakery. In 2013, Maria and Dayanna attended a Step Up For Students event sponsored by scholarship program partner Waste Management at Marlins Park in Miami. Story and photo provided by Step Up For Students.



# GEORGIA

## Georgia Special Needs Scholarship Program

Enacted 2007 • Launched 2007 • Voucher

The Georgia Special Needs Scholarship Program allows any student with a disability whose parents are unhappy with their assigned public school to receive a voucher to attend private school.

### STUDENT FUNDING

Vouchers are worth up to the cost of the educational program a student would have received in public school, as calculated by existing state funding formulas. It excludes only such things as capital costs and federal subsidy programs. The voucher may not exceed the private school’s tuition and fees.

### STUDENT ELIGIBILITY

To qualify, a student must have been enrolled in a Georgia public school for the entire prior school year; preschool programs do not count toward this factor. The student must also have received special education services under an Individualized Education Plan at any point in that year. The student’s parent/guardian must currently live in the state and have been a resident for at least one year.

### FRIEDMAN FEEDBACK

Georgia’s only voucher program receives strong marks for its funding levels—up to the child’s funding in his or her public school—and school requirements, as the only regulations are that participating private schools have a physical location in Georgia, demonstrate fiscal soundness, and follow nondiscrimination, health, and safety laws, along with Georgia’s other regulations applying to private schools. Schools also must report to parents on students’ academic progress. Where the program could grow is on student eligibility, which obviously is limited to students with special needs who attended public school the previous year. Other, underserved Georgia students could benefit, no doubt, from a broader program.

### LATEST STATS (2013-14)

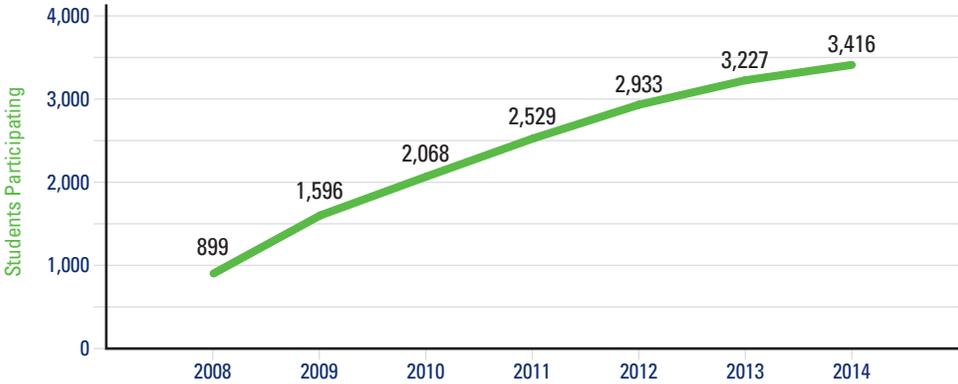
Students participating: **3,416**  
Schools participating: **245**  
Average voucher value: **\$5,386**

Percent of Georgia K-12 students eligible for the Georgia Special Needs Scholarship Program



## GEORGIA

Participation in Georgia's voucher program for students with special needs has grown each year since its inception.



Shelby attends Center Academy in Smyrna, with the help of the Georgia Special Needs Scholarship Program. In her previous public schools, Shelby was bullied not only by students, but by some of her teachers as well. She also was struggling academically. "I knew that not just 'any' private school would be able to help her," Shelby's mother, Kristen, said. "It's more than having a smaller class. The teachers are what make the difference, and it doesn't even stop there. You have to have teachers that are specially trained and even then, that training wouldn't be enough unless the teacher truly wants to make a difference in every student. I looked long and hard for that school for my daughter and found it with Center Academy." Now Kristen says Shelby is "back." She's earning good grades, talking about college, and, best of all, she is happy. Story and photo provided by Center Academy.



# GEORGIA

## Qualified Education Expense Tax Credit

Enacted 2008 • Launched 2008 • Tax-Credit Scholarship

Georgia provides dollar-for-dollar tax credits for donations to Student Scholarship Organizations (SSOs), nonprofits that provide private school scholarships. Individuals may claim up to \$1,000, and married couples filing jointly may claim up to \$2,500. An individual who is a member of an LLC, a shareholder of an S-Corporation, or a partner in a partnership may claim up to \$10,000 of their tax actually paid as a member, shareholder, or partner. Corporate taxpayers may claim up to 75 percent of their total tax liability. The program is capped at \$58 million in tax credits per year.

### STUDENT FUNDING

SSOs may determine the amount of each scholarship, capped only by the average state and local expenditures per child for public elementary and secondary education in the entire state. For the 2013-14 school year, scholarships are capped at \$9,046.

### STUDENT ELIGIBILITY

All public school students are eligible if they attended a public school for at least six weeks immediately prior to receiving a scholarship, as are students enrolling in prekindergarten, kindergarten, or first grade. Eligibility continues until a student graduates, reaches age 20, or returns to public school. SSOs may set their own eligibility guidelines.

### FRIEDMAN FEEDBACK

Georgia's tax-credit scholarship program has the opportunity to be one of the most expansive, successful programs in the country, as there are no arbitrary eligibility requirements. Unfortunately, its \$58 million cap on available tax credits limits the number of scholarships to less than 1 percent of students statewide. The program does benefit from a generous allowance on the size of individual scholarships, which can equal the average funding amount per student in Georgia public schools. Moreover, there are very few regulations placed on participating schools other than the minimal requirements that schools be physically located in the state, obey nondiscrimination law, and satisfy the normal requirements to be a licensed private school in Georgia.

### LATEST STATS (2012)

Students participating: **13,285**

Schools participating: **N.A.**

Scholarship organizations: **38**

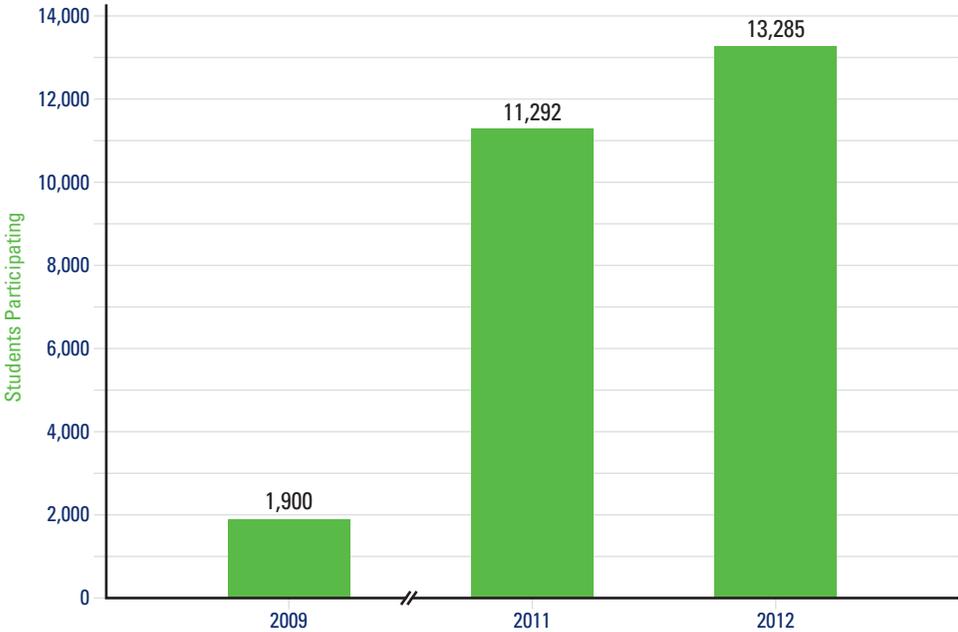
Average scholarship value: **\$3,388**

All Georgia K-12 students are eligible under the Qualified Education Expense Tax Credit program

**100%**

## GEORGIA

Participation reached an all-time high in the fifth year of Georgia's tax-credit scholarship program.



Kayla, back left, was the first of Joyce's children to enroll in George Walton Academy (GWA), where she received an education that enabled her to enter college far ahead of many other students scholastically. Joyce wanted that same education, and spiritual grounding, for Kayla's younger sister, Miranda, middle, but doubted it would be possible because of her different financial situation. That all changed with the Georgia GOAL Scholarship Program, a nonprofit operating under Georgia's tax-credit scholarship program, which enabled Miranda to receive tuition assistance and enroll in GWA. "They saved the day," Joyce said. "Miranda is a junior at GWA and is thriving. Every day, I know three things: She is getting a great education and being challenged to reach high; she

is being taught by people with high moral values; and she is in a safe environment where students are held to a high degree of accountability. For us, Miranda's ability to be at GWA is directly attributable to the generosity of people who didn't even know her by name, but who felt led to give to a cause they believe in." Photo and story provided by the Georgia GOAL Scholarship Program.



## Tax Credits for Educational Expenses

Enacted 1998 • Launched 2000 • Individual Tax Credit

Illinois allows individuals to claim a credit for educational expenses for dependent students attending a private or public school or being homeschooled. Qualified expenses include tuition, books, and lab or activity fees. The credit is worth a maximum of \$500.

### TAX CREDIT VALUE

Parents receive a tax credit worth 25 percent of their expenditures after the first \$250, up to a maximum credit of \$500 per family. To get the maximum \$500 credit, parents must spend \$2,250 on educational expenses; they also must have a state tax liability of at least \$500 because the credit is nonrefundable and thus cannot reduce an individual's tax burden to less than zero.

### STUDENT ELIGIBILITY

Educational expenses must be for students who are residents of Illinois, who are younger than 21, and have attended kindergarten through 12th grade in a public or private school in Illinois or were homeschooled.

### FRIEDMAN FEEDBACK

Illinois' individual tax credit could be one of the county's most effective school choice programs if it made some updates. On student eligibility, the program is accessible to all students statewide. Moreover, there are no unreasonable regulations placed on private schools. Those strong features are hurt, however, by the fact that participants have very little funding power with a maximum available credit of just \$500. Illinois could improve this program dramatically by raising the tax credit allowance to at least the state's average per-pupil expenditures in public schools and providing a refundable credit (similar to Alabama) so that lower-income families can participate.

### LATEST STATS (2011)

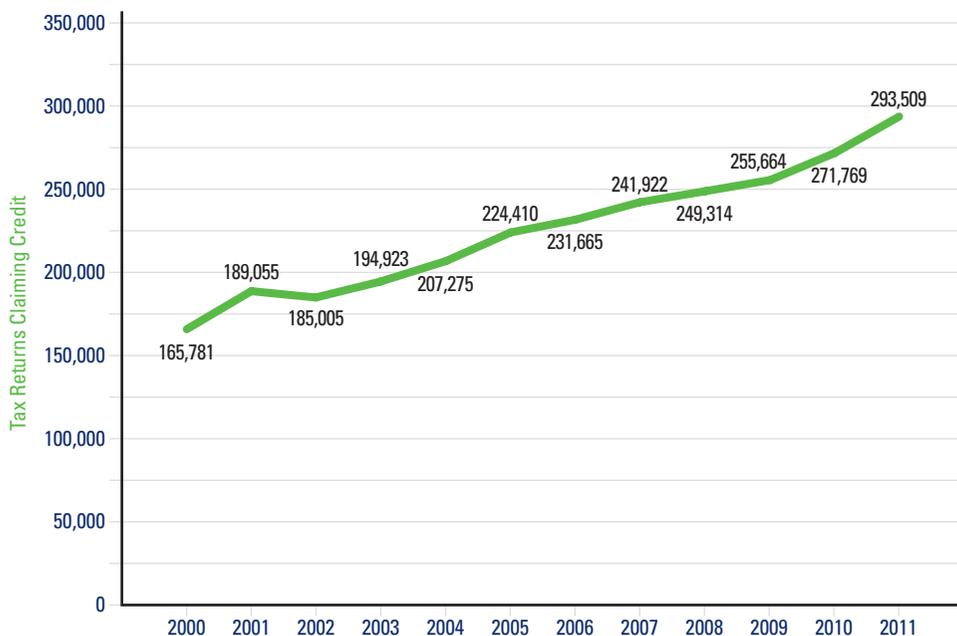
Taxpayers participating: **293,509**  
Average tax credit value: **\$277**

All Illinois taxpayers with children enrolled full-time in grades K-12 are eligible for Tax Credits for Educational Expenses

**100%**

## ILLINOIS

Usage of Illinois' individual tax credits for education expenses increased 77 percent from 2000 to 2011, the last year of publicly available data.



Chyla entered Village Leadership Academy (VLA) in kindergarten, after her mother, Brittany, determined the neighborhood schools wouldn't be a fit because of their quality, her work schedule, and Chyla's birthday, which was after the public schools' cut-off date for enrollment. Chyla is now in first grade and is thriving, even learning reading and math at a third-grade level. Brittany said enrolling Chyla at VLA wouldn't be possible without a private school scholarship offered by a local nonprofit, Ed Choice Illinois. "As a mother, I value a quality education not only for her but my three other children," Brittany said. "This scholarship is truly a blessing. Chyla can continue to receive the quality education she so deserves. Without this scholarship she would be at a neighborhood school surrounded by mediocrity, and that was not my desire for my child. I can't express how grateful I am. I am an educational choice advocate." Photo and story provided by Brittany Blakey, who is able to utilize the state's individual tax credit for education expenses.



# INDIANA

## School Scholarship Tax Credit

Enacted 2009 • Launched 2010 • Tax-Credit Scholarship

Indiana’s School Scholarship Tax Credit program allows individuals and corporations to claim a 50 percent tax credit for contributions to approved Scholarship Granting Organizations (SGOs), nonprofits that provide private school scholarships. There is no limit on the dollar amount of the tax credit that can be claimed, although the total amount of tax credits awarded statewide is limited to \$7.5 million.

### STUDENT FUNDING

Each SGO determines the amount of the scholarships it distributes.

### STUDENT ELIGIBILITY

Children are eligible to receive scholarships if their family income does not exceed 200 percent of the guidelines needed to qualify for the free and reduced-price lunch program (\$87,136 for a family of four in 2013-14). Children must be between ages five and 22 to participate. Current private school students can qualify. Also, qualifying students must have been (1) enrolled in kindergarten, (2) a scholarship recipient in the previous school year from a nonprofit organization that qualifies for certification as an SGO, or (3) a scholarship recipient in the previous school year under this program.

### FRIEDMAN FEEDBACK

The eligibility restrictions on Indiana’s tax-credit scholarship program adversely effect the ability of middle- and upper-income families from utilizing choice in education. That income limit should be increased. Additionally, the total cap on credits is just \$7.5 million, which restricts the overall amount of money following students. A noteworthy development from Indiana’s 2013 legislative session was that current private school parents are eligible for the scholarship regardless of whether they previously attended a public school. That helps families who have sacrificed to give their child a better education but were not previously enrolled in the public schools. With this increase, Indiana will need to raise the cap on available tax credits to allow for the additional demand.

### LATEST STATS (2012-13)

Scholarships awarded: **4,638**

Schools participating: **N.A.**

Scholarship organizations: **5**

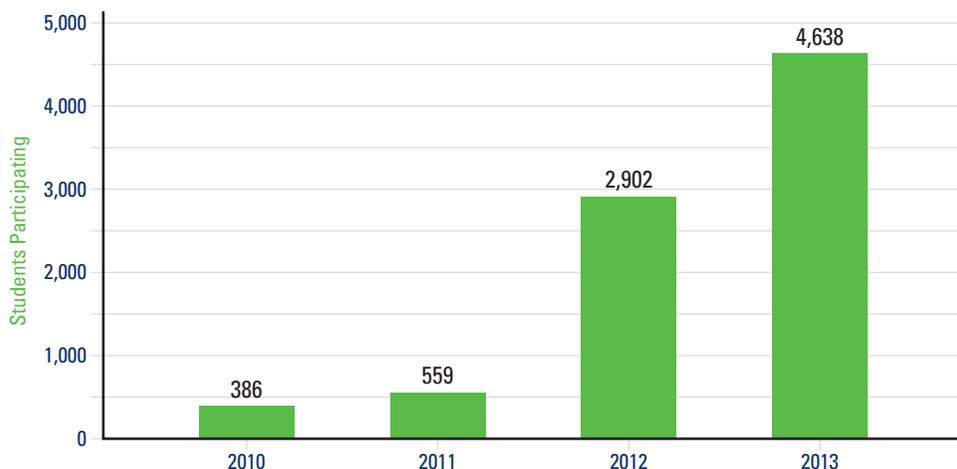
Average scholarship value: **\$1,017**

Percent of Indiana families meeting the School Scholarship Tax Credit’s income requirement



## INDIANA

Enrollment in Indiana's tax-credit scholarship program increased by nearly 60 percent since 2012.



Arlene and Dave utilize Indiana's School Scholarship Tax Credit program to send their five- and eight-year-old sons to a private school that best fits their needs and interests. "As a parent who has spent countless hours with my sons since birth, I believe I know which educational method is best for them," said Arlene, whose husband is a small-business owner. "I want to be able to choose a school which teaches independent thinking based on a strong knowledge of what is right and wrong. I want to be able to choose a school which has firm tried and true teaching techniques, not the latest fad or style of teaching. This free choice is what America is supposed to be about. It is so important to me that my children be given the opportunity to excel in their education." Photo and story provided by School Choice Indiana.



# INDIANA

## Choice Scholarship Program

Enacted 2011 • Launched 2011 • Voucher

Indiana’s Choice Scholarship Program allows students in low- and middle-income families to receive vouchers to attend private school.

### STUDENT FUNDING

Students from families that qualified for the federal free and reduced-price lunch (FRL) program can receive a voucher worth up to 90 percent of the state per-student spending amount for the sending school district. Students from families earning 150 percent of that same threshold can receive a voucher worth up to 50 percent of the state funding allocation for the sending district. The maximum voucher size is \$4,700 for students in grades K-8 and \$4,500 for students in grades 9-12. Families can supplement vouchers with additional funds. In 2014-15, the K-8 maximum voucher increases to \$4,800.

### STUDENT ELIGIBILITY

Children must be between ages five and 22 to participate. Eligible students include: (1) students who attended a public school (including a charter school) for the preceding two semesters and who are from families earning up to (but not exceeding) 150 percent of FRL (\$65,352 for a family of four in 2013-14), (2) students with disabilities that have an Individualized Education Plan and who are from families earning up to (but not exceeding) 200 percent of FRL (\$87,136 for a family of four in 2013-14), (3) students who attended or would attend a public school designated “F” and who are from families earning up to (but not exceeding) 150 percent of FRL, (4) students or siblings of students who received a minimum of a \$500 tax-credit scholarship in the previous school year from a Scholarship Granting Organization, or (5) students who received a voucher in the previous school year under this program and are from families earning up to (but not exceeding) 200 percent of FRL.

### FRIEDMAN FEEDBACK

Indiana’s Choice Scholarship Program is the fastest growing voucher program in the country. Still, the program is lacking in some areas. The voucher amount is below half of what the public schools receive. Also, the income eligibility level is too low for higher-income families to participate. Lastly, schools are required to allow the state to review classroom instruction, instructional materials, and curriculum, and administer the state test. The program has ample room to grow by providing the parents with increased funding and eligibility and lowering regulations on private schools.

### LATEST STATS (2013-14)

Participating students: **19,809**

Participating schools: **313**

Average voucher value:

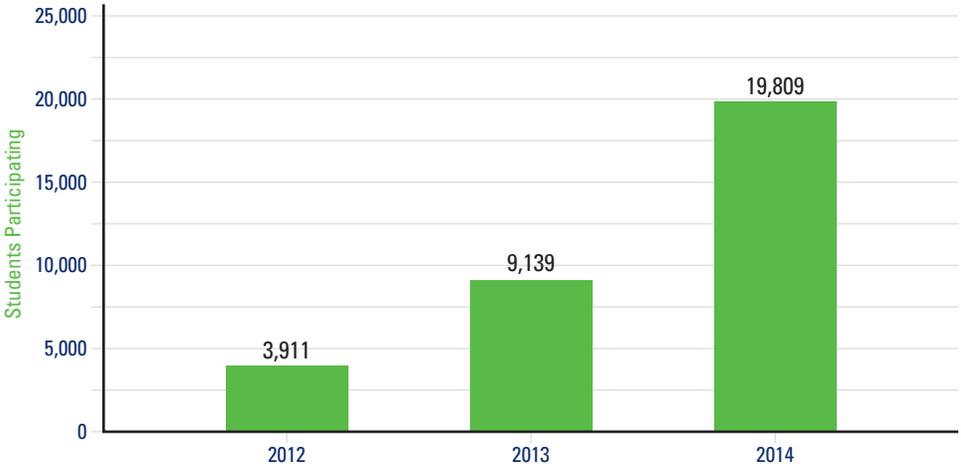
**\$3,962** (2012-13)

Percent of Indiana families meeting the Choice Scholarship Program’s income requirement

**42%**

## INDIANA

Enrollment in Indiana's voucher program has more than doubled each year since its creation.



When Cameron was enrolled in public school, his mom, Adria, kept a constant presence in the school to show she was a concerned parent who valued his education. Over the course of Cameron's elementary years, however, she struggled with the assurance her son was getting the attention he needed to excel. Last summer, Adria enrolled Cameron in Evansville Day School using Indiana's voucher program. "I was so excited because we were preparing Cameron to start sixth grade at a public middle school and I was so concerned he would get lost in the shuffle," Adria said. "We now had a chance to start something new. After touring the school, meeting the teachers, and hearing about the small classes and the curriculum involved, I had no doubt that this was the best school for my child." Cameron has made new friends, looks forward to going to school each morning, and loves his teachers. "The teachers stay in touch constantly and spend their free time helping when your child needs help," Adria said. "They have a great

online program to keep up on your child's grades, and the parents are so involved you feel very welcomed and special to be a part of this school. The voucher has forever changed my child's life and I hope very hard that my other children will be able to take advantage of this program to continue their education at Evansville Day School." Photo and story provided by School Choice Indiana.



# INDIANA

## Private School/Homeschool Deduction

Enacted 2011 • Launched 2011 • Individual Tax Deduction

Indiana provides a tax deduction for individuals who make educational expenditures on behalf of their dependent children. Any taxpayer who has a child already enrolled in private school or who is homeschooled is eligible to claim up to a \$1,000 tax deduction per child for approved educational expenses including private school tuition, textbooks, fees, software, tutoring, and supplies.

### TAX DEDUCTION VALUE

The tax deduction is worth up to \$1,000 per child.

### STUDENT ELIGIBILITY

Deductions are available for parents' expenditures on either private schools or homeschooling for their children.

### FRIEDMAN FEEDBACK

The Private School/Homeschool tax deduction program in Indiana is a good example of providing increased opportunity to parents without unduly burdening participating providers. The legislation permits all families going to a private school or being homeschooled to receive a \$1,000 state income tax deduction so long as they are not eligible for the voucher or tax-credit scholarship programs. However, the tax deduction does not, in a practical sense, provide for increased choice or opportunity. It is a very small amount when compared with the costs of private school tuition or time and curriculum required in the homeschool environment. The program does not place additional requirements on the private or homeschool groups, however. For this program to have a truly meaningful effect on families, the cap on the deduction would need to be increased dramatically. Moving closer to Wisconsin's funding cap would be a positive step in that direction.

### LATEST STATS (2012)

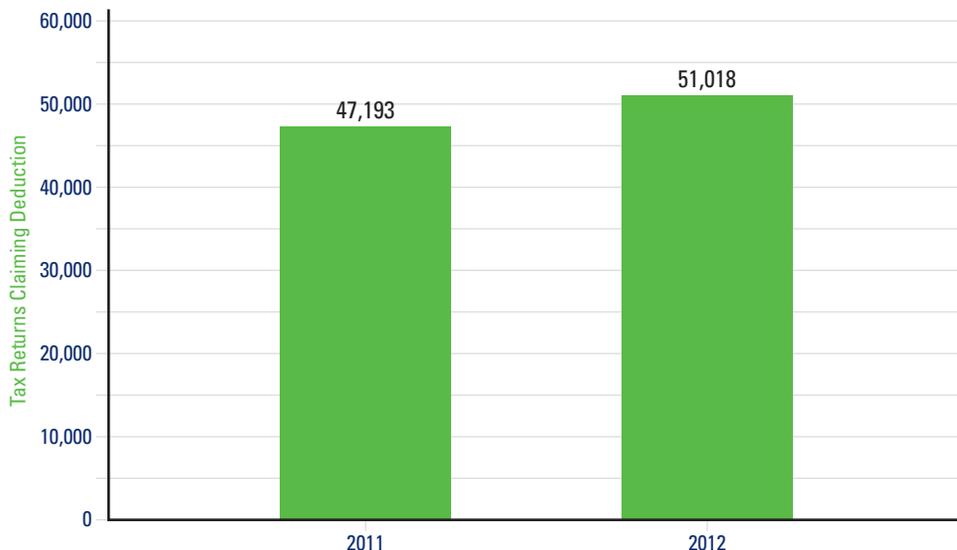
Taxpayers participating: **51,018**  
Average tax deduction value: **\$1,732**

Percent of Indiana K-12 students whose parents/guardians are eligible for the Private School/Homeschool Deduction

**9%**

## INDIANA

Indiana's deduction program for schooling expenses grew by more than 3,800 claimants from its first year.



Of Terry's and his wife's four adopted children, three of them, their sons, are able to participate in Indiana's Choice Scholarship Program (page 37). The oldest son, Zach, has serious vision problems, and their twin boys both struggle with various learning disabilities. Those challenges prevented all three from thriving in a traditional classroom. Their parents feared they might not get the education they deserved. "Fortunately, the Choice Scholarship Program has changed everything for our family," Terry said. "With the voucher, we enrolled Zach as an online student at Lakeview Christian School, and he is doing well. Our twins are at Lakeview, too, and their teacher is doing a wonderful job giving them the individualized attention they need. Between medical bills for our oldest son, and meeting the unique needs of our twins and daughter, it's been a financial struggle. However, we believe that it is well worth it to ensure our children are in the environment that is best for them." Photo and story provided by School Choice Indiana.



## Tuition and Textbook Tax Credit

Enacted 1987 • Launched 1987 • Individual Tax Credit

Iowa provides parents of students in any private or public school a tax credit covering educational expenses, including tuition, books, and lab or activity fees. The credit is worth a maximum of \$250.

### TAX CREDIT VALUE

Parents receive a tax credit worth 25 percent of their expenditures up to a maximum credit of \$250 per dependent in school. To get the maximum \$250 per-dependent credit, parents must spend \$1,000 in educational expenses; they also must have a state tax liability of at least \$250 because the credit is nonrefundable and thus cannot reduce an individual's tax burden to less than zero.

### STUDENT ELIGIBILITY

All students enrolled in accredited nonprofit, public, or private elementary or secondary schools in Iowa are eligible.

### FRIEDMAN FEEDBACK

Iowa's individual tax credit provides universal eligibility, a positive attribute in any school choice program. However, the \$250 credit is very small compared to the costs of private school. To increase the opportunities for choice, the Iowa program could mirror the Alabama tax-credit program by increasing the size of the credit and making the credit refundable for low-income families. That would exponentially increase the funding power of the program and more closely mirror the per-pupil spending in Iowa's public schools.

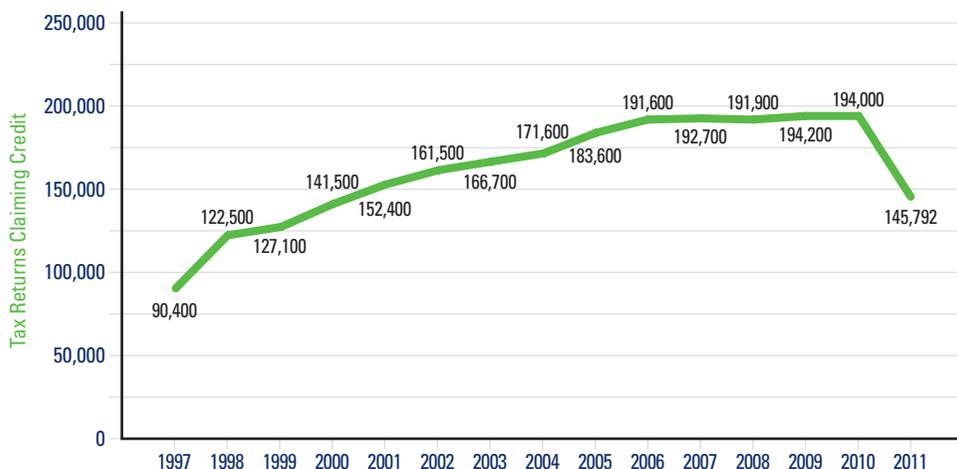
### LATEST STATS (2012)

Taxpayers participating: **145,792**  
Average tax credit value: **\$103**

All Iowa taxpayers with children enrolled in K-12 schools are eligible for the Tuition and Textbook Tax Credit

**100%**

Usage of Iowa's individual tax credits for education expenses decreased by nearly a quarter from 2010 to 2011, the last year of publicly available data.



In the past few years, Iowa's Waterloo community has seen an influx of Burmese refugees who have immigrated to the United States. When Catholic men, from the Karenni ethnic group, arrived in 2010 to work at Tyson Foods, they chose housing close to a Catholic church (Sacred Heart). When they brought their families the following year, one of the first things they did was to register in the parish and seek out the Catholic schools. A connection to a parish and Catholic education was something they wanted but had not always found in the other parts of the U.S. where they had lived. Iowa's School Tuition Organization Tax Credit (page 43) gave them the ability to access private, Catholic schools for their children. Story and photo provided by the Iowa Alliance for Choice in Education.



## School Tuition Organization Tax Credit

Enacted 2006 • Launched 2006 • Tax-Credit Scholarship

Iowa provides a credit on individual income taxes for donations to School Tuition Organizations (STOs), nonprofits that provide private school scholarships. The credit is worth 65 percent of the donation’s value, which also is limited by a statewide cap. A maximum of \$12 million in tax credits is available. Each STO is able to grant tax credits to its donors up to its share of the statewide limit, with each STO’s share determined by the enrollment at the schools it serves. Corporate donations are able to constitute up to 25 percent of the \$12 million cap.

### STUDENT FUNDING

Scholarship amounts are determined by STOs.

### STUDENT ELIGIBILITY

Children are eligible to receive scholarships if their family income does not exceed 300 percent of federal poverty guidelines (\$70,650 for a family of four in 2013-14).

### FRIEDMAN FEEDBACK

In the 2013 legislative session, both houses of the Iowa legislature unanimously voted to raise the tax-credit scholarship cap to \$12 million. This is the first state to have unanimous bipartisan approval of a school choice proposal. The program has reasonable regulations on private schools that participate. A school must be accredited, but schools are able to choose, for the first time, independent accrediting agencies outside of the state Department of Education. Additionally, each STO is able to independently set its own scholarship granting criteria. Although the cap increase is to be applauded, an automatic escalator for the tax-credit cap would allow the program to grow with the demand for scholarships.

### LATEST STATS (2012-13)

Students participating: **10,446**

Schools participating: **153**

Scholarship organizations: **12**

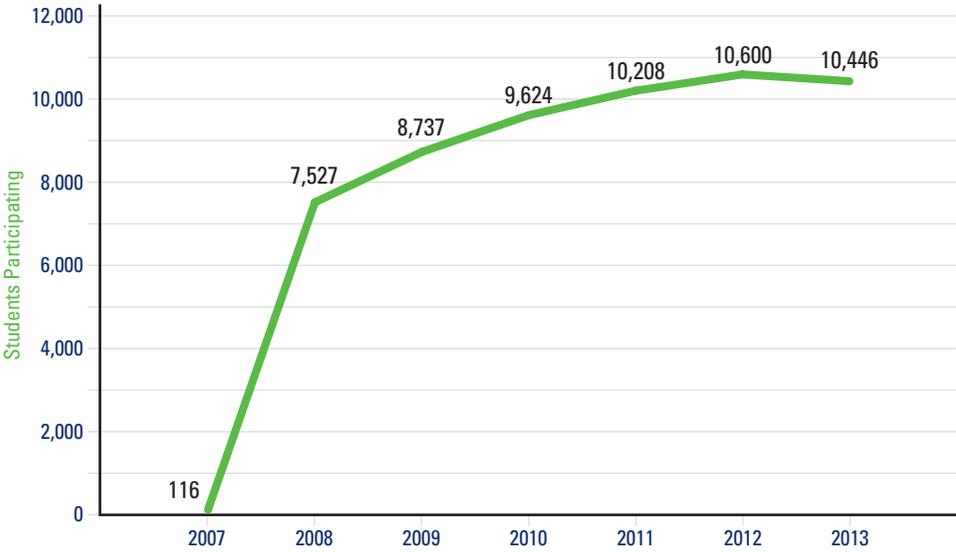
Average scholarship value: **\$1,086**

Percent of Iowa families meeting the School Tuition Organization Tax Credit’s income requirement

**36%**

# IOWA

Participation in Iowa's tax-credit scholarship program has grown 39 percent since its second year of operation.



Tuition assistance provided through the state's School Tuition Organization Tax Credit made Catholic education a reality for Iowa's immigrant Burmese families. Currently there are 98 students in kindergarten through 12th grade enrolled in Cedar Valley Catholic Schools and receiving tax-credit scholarship assistance. The Burmese families appreciate having their children grow in both faith and knowledge in the caring environment provided by Catholic schools. The School Tuition Organization Tax Credit makes this choice possible for them. Story and photo provided by Iowa Alliance for Choice in Education.



# LOUISIANA

## Louisiana Scholarship Program

Enacted 2008 • Launched 2008 • Voucher

Louisiana’s statewide voucher program is available to low-income students in low-performing public schools. Prior to 2012, eligibility was limited to students in specific districts and parishes.

### STUDENT FUNDING

The voucher is equal to the lesser of 90 percent of the total state and local funding per student in the student’s home school district or the tuition charged by the private school. Schools accepting students using the voucher may not charge those students more than non-voucher students. Students requiring special educational services are eligible for additional voucher funds equal to the federal special education funding in their home districts.

### STUDENT ELIGIBILITY

Students are eligible if their family income is no more than 250 percent of the federal poverty line and they either (1) attended a public school designated as “C,” “D,” or “F” in the previous year or a turnaround or unscored school, (2) are entering kindergarten, or (3) were enrolled at a public school in the Recovery School District. If more students apply than the program will allow, participation is determined by random lottery. If a particular private school is oversubscribed under the program, the state Department of Education must conduct a randomized lottery to award seats in that school. In that lottery, students from public schools rated “D” or “F” receive priority over students from public schools rated “C.”

### FRIEDMAN FEEDBACK

Louisiana’s expanded voucher program greatly improved student eligibility, making it available to more than one-third of students statewide. The program is also strong on funding, as voucher amounts potentially can equal what students in public schools receive. Unfortunately, the program falls short by imposing strict regulations on participating schools. Schools must use an “open admissions process,” ceding control of their admissions processes. Additionally, private schools must administer the state’s standardized test, and the Louisiana Department of Education is required to create an accountability system for participating private schools. The program could improve by not linking eligibility to public schools’ performance. Also, parents should determine what tests their children take in private school.

### LATEST STATS (2013-14)

Students participating: **6,775**

Schools participating: **126**

Average voucher value:

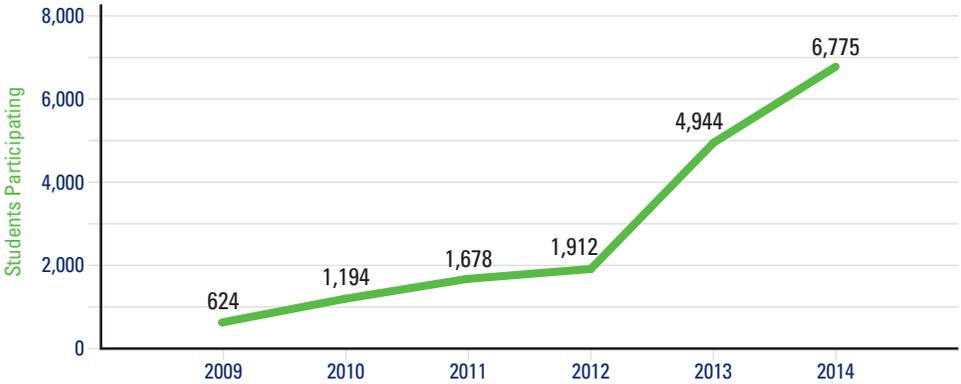
**\$5,311** (estimate)

Percent of Louisiana K-12 students eligible for the Louisiana Scholarship Program

**42%**

## LOUISIANA

Enrollment in Louisiana's voucher program has more than tripled since 2012, when the program expanded statewide.



Kaitlyn is among the first students attending Baton Rouge's LA Key Academy, which began as a vision held by parents and teachers who wanted to build a school that would effectively meet the needs of children with dyslexia. Kaitlyn's mom, Jacquelyn, said she is just like any little girl who loves school and loves learning. Thanks to LA Key Academy, Kaitlyn has a better opportunity to do exactly that. Kaitlyn formerly participated in the Louisiana Scholarship Program. Story and photo provided by Louisiana BAEQ.



# LOUISIANA

## Elementary and Secondary School Tuition Deduction

Enacted 2008 • Launched 2008 • Individual Tax Deduction

Louisiana allows individual tax deductions for educational expenses, including private school tuition and fees, uniforms, textbooks, curricular materials, and any supplies required by the school. The deductions also include tuition and fees at university-run “lab schools.”

### TAX DEDUCTION VALUE

The deductions are worth 100 percent of the total amount spent on tuition, fees, and other eligible expenses at private schools. Individuals may deduct up to \$5,000 per child.

### STUDENT ELIGIBILITY

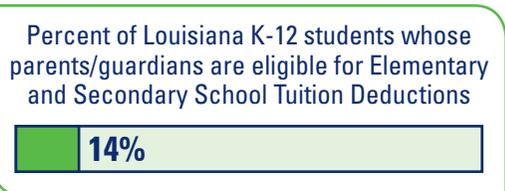
All K-12 Louisiana private school students are eligible. Any taxpayer that has private school educational expenses may claim the deduction.

### FRIEDMAN FEEDBACK

Louisiana’s individual tax deduction is promising in that any K-12 child enrolled in private school in the state qualifies. Similarly, the deduction does not place any mandates on private schools or service providers. However, in practical use, the \$5,000 cap is relatively small for a family’s education expenses and only benefits those households that have state tax liability. For the program to serve more families successfully, Louisiana would have to increase the deduction size.

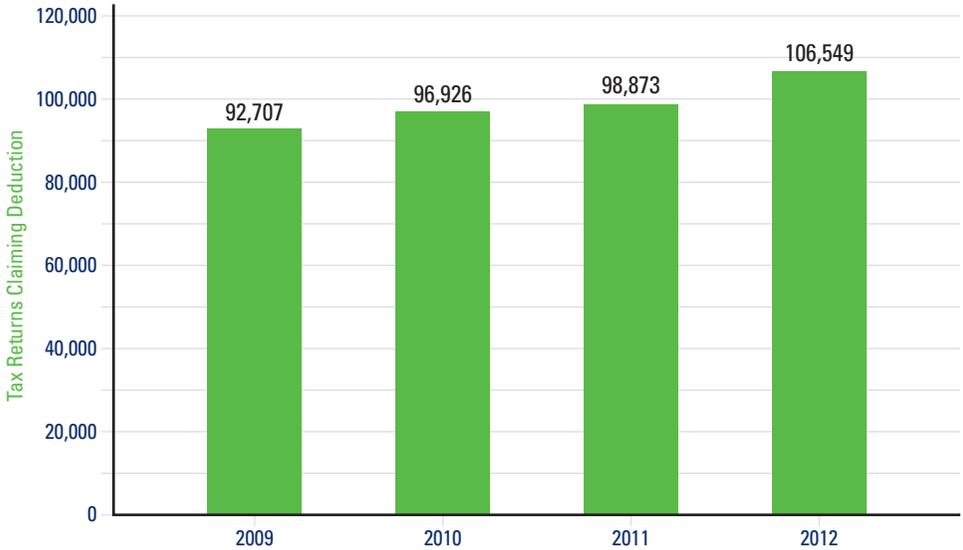
### LATEST STATS (2012)

Taxpayers participating: **106,549**  
Average tax deduction value: **\$4,060**



## LOUISIANA

The number of Louisiana tax returns claiming the Elementary and Secondary School Tuition Deduction grew by nearly 15 percent since its enactment.



Willie's public school was not serving him and his educational needs, so much so that it hurt his mother, Falesha, greatly. Falesha was even told by her child's former public school principal that she was present too often at the school. Falesha ended up confronting the school board about her desire to not send Willie back to his neighborhood school, where things were swept under the rug and where the classrooms had too many kids. "If your child doesn't get the work, (the teachers) just move on because they don't have the time to help them," Falesha said. "So when I heard about the scholarship program, all I could say is 'thank you God' for answering my prayers and that my child can have a better education." Willie is now enrolled in private school using the Louisiana Scholarship Program (on page 45). Story and photo provided by Louisiana BAE0.



# LOUISIANA

## School Choice Program for Certain Students with Exceptionalities

Enacted 2010 • Launched 2011 • Voucher

Louisiana allows students with certain exceptionalities who live in eligible parishes to attend schools of their parents' choosing that provide educational services specifically addressing their needs. Eligible students are defined generally as those with special needs who have Individualized Education Plans but who are not in accelerated or gifted and talented programs.

### STUDENT FUNDING

The educational certificate (voucher) is worth 50 percent of the state dollars that would have been spent on the child in his or her public school or the cost of private school tuition, whichever is less. Families are responsible for any additional tuition charged by the school.

### STUDENT ELIGIBILITY

Students qualify if they have one of seven categories of learning exceptionalities, have an Individualized Education Plan or services plans in accordance with Title 34 of the code of federal regulations, reside in a parish with more than 190,000 residents (six parishes currently), are eligible to attend a public school, and are not deemed gifted or talented.

### FRIEDMAN FEEDBACK

Louisiana's voucher program for students with special needs is one of the more restrictive voucher programs nationwide, limiting eligibility on both type of learning exceptionality and on parish residence. The program is restricted further by the fact vouchers are capped at 50 percent of the funds that otherwise would have gone to the child's public school. Private schools must be approved by the state and have a program serving the special needs of participants established for two years prior to accepting voucher payments. The program could improve by mirroring Florida's, Georgia's, or Oklahoma's statewide voucher programs for students with special needs.

### LATEST STATS (2013-14)

Students participating: **224**  
Schools participating: **17**  
Average voucher value: **\$2,201**

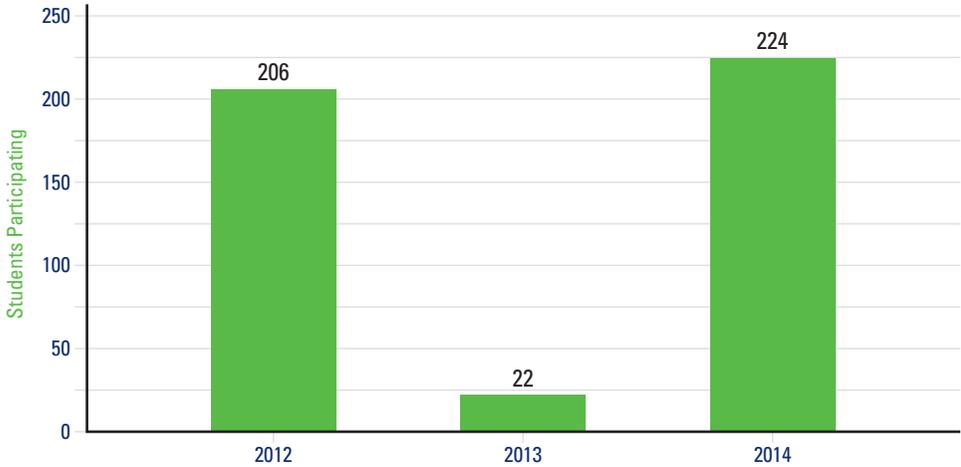
Percent of Louisiana K-12 students in the state's most populated parishes\* eligible for the School Choice Program for Certain Students with Exceptionalities



\*Includes only Caddo, East Baton Rouge, Jefferson, Lafayette, Orleans, and St. Tammany parishes

## LOUISIANA

Enrollment in Louisiana's voucher program for students with special needs grew by nearly 9 percent since its enactment.



Matthew has really thrived at Hosanna Christian Academy in Baton Rouge as a result of the Louisiana Scholarship Program (page 45). His family has been very excited to have a chance for their child to get a quality education that will prepare him for college and life beyond. Matthew is reading fluently, telling time, writing in cursive, and creating math story problems on his own. His family believes this is a direct result of him being afforded the opportunity to get a quality education through the voucher program. Story and photo provided by Louisiana BAEQ.



# LOUISIANA

## Tuition Donation Rebate Program

Enacted 2012 • Launched 2012 • Tax-Credit Scholarship

Louisiana taxpayers can receive tax rebates for donations they make to School Tuition Organizations (STOs), nonprofits that provide private school scholarships. There is no cap on available rebates.

### STUDENT FUNDING

For students in grades K-8, scholarships can be worth up to 80 percent of the state average “Minimum Foundation Program” (MFP) funding per pupil for the previous year. For grades 9-12, scholarships can be worth up to 90 percent of that same figure.

### STUDENT ELIGIBILITY

Students must come from families whose household income is less than 250 percent of the federal poverty line (\$58,875 for a family of four in 2013-14). Additionally, they either must be entering kindergarten, have attended a public school during the previous school year, or have previously received a scholarship.

### FRIEDMAN FEEDBACK

Louisiana’s tax-credit scholarship program is very strong on funding, as there is no cap on the amount of rebates that donors can claim; moreover, individual scholarships can be worth up to 80 of the average state funding per pupil in grades K-8 and 90 percent in grades 9-12. However, the program unnecessarily limits eligibility based on income and enrollment status. As a result, only about 42 percent of students statewide qualify to receive scholarships. The program also places a number of regulations on participating schools: Schools must use lotteries to admit students and administer the state math and language arts tests to scholarship students, both of which could dissuade private schools from participating. For this promising program to grow successfully, less pressure should be placed on participating private schools and eligibility should be expanded to include all students, particularly because Louisiana already has a means-tested voucher program.

### LATEST STATS (2013-14)

Students participating: **15**  
Schools participating: **4**  
Scholarship organizations: **1**  
Average scholarship value: **\$3,867**

Percent of Louisiana families meeting the  
Tuition Donation Rebate Program’s income  
requirement





After a successful year in the Louisiana Scholarship Program (page 45) for her twin sons, Cadon and Jadon, Crystal was fortunate enough to win lottery vouchers for her older sons, Caleb and Tyler, to attend Angles Academy. As just one example of the profound impact the program has had on Crystal's family, one of her twins, at his previous public school, was having a hard time adjusting. His teacher said she could not handle him and could not give him the attention and time he needed. As a result, the twins were separated in the district. But when Crystal was able to enroll the twins in Angles Academy, her struggling twin got a classroom with less stimulation and a smaller setting. Before, he could not hold a pencil or crayon and could not color like his twin brother. He would just sit and look. Since both have been at Angles Academy, they have done very well. Even the twin, who was having trouble, is now writing his name and spelling the days of the week. Story and photo provided by Louisiana BAE0.



# MAINE

## Town Tuitioning Program

Launched 1873 • Voucher

Many small towns in Maine do not operate high schools, and some do not have elementary schools. Students in those towns are eligible for vouchers to attend public schools in other towns or non-religious private schools, even outside the state. The “sending” towns pay tuition directly to the “receiving” schools. Although most towns allow parents to choose which schools will receive their students, some towns send all their students to one school.

### STUDENT FUNDING

Public schools in Maine have a tuition rate that sending towns must pay when their students are tuitioned at public schools. For private schools, the tuition rate for elementary students may not exceed the average per-pupil cost on a statewide basis. For secondary pupils, the tuition rate is Maine’s average per-pupil cost for secondary education in the previous year, plus an additional payment intended to cover depreciation of private schools’ buildings. Parents may supplement that voucher with their own money. Voucher values vary from county to county based on current per-student funding levels. Sending towns have the option of increasing the voucher to as high as 115 percent of the per-student funding, but may not reduce the voucher below that rate.

### STUDENT ELIGIBILITY

Students must live in Maine and reside in an identified sending town that does not have a public school at their grade level.

### FRIEDMAN FEEDBACK

Maine’s town tuitioning is very restrictive on eligibility; students qualify only if their home districts do not have public schools. On funding power, Maine’s program does well, as per-pupil funding can equal the average cost statewide and even can go as high as 115 percent of the child’s current funding. Although the program does not place overly burdensome regulations on private schools, it does restrict religious schools from participating. Maine’s town tuitioning could increase its effectiveness by removing that restriction and not limiting student eligibility to their home districts’ schooling arrangements.

### LATEST STATS (2012-13)

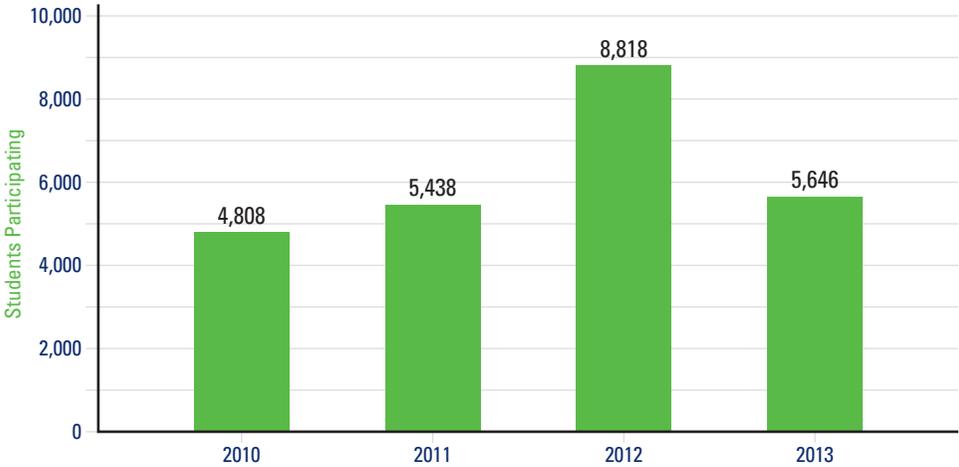
Students participating: **5,646**  
Schools participating: **50**  
Average voucher value: **\$7,347** (K-8),  
**\$9,317** (9-12), **\$8,873** (out of state)

Percent of Maine students able to participate in the state’s Town Tuitioning Program

**3%**

**MAINE**

Although participation in Maine's Town Tuitioning Program decreased by more than one-third since 2012, more students are participating than there were in 2011.



Founded in 1811, Thornton Academy is one of New England's oldest college preparatory schools, an independent, coeducational middle school and high school serving grades six through 12. Located in the southern Maine coastal town of Saco, Thornton Academy offers a beautiful, natural setting and a safe community. In addition to educating its day students, Thornton Academy has a boarding program for domestic students and international students. Two state-of-the-art dormitories on its large campus host more than 130 students from over 20 countries and bring them together with its day student population.

Thornton Academy's mission is "to prepare students for a changing world." Small classes and individual attention allow its faculty to help every student fulfill their potential. Through its extensive course offerings, Thornton provides an opportunity for students to find an academic area that excites them. Thornton Academy students become dynamic, critical thinkers who excel in college and beyond. Thornton Academy's faculty and staff also recognize that learning extends beyond the classroom to the hallways, the playing fields, and the surrounding community. Photo and story provided by Thornton Academy.



# MINNESOTA

## Education Deduction

Enacted 1955 • Launched 1955 • Individual Tax Deduction

Minnesota provides a tax deduction covering educational expenses for students in any private or public school, including homeschooling. The tax deduction lowers a family's taxable income and covers books, tutors, academic after-school programs, and other educational expenses, including tuition payments at private schools.

### TAX DEDUCTION VALUE

The tax deduction is worth 100 percent of the amount spent on education (including private school tuition), up to \$1,625 per child in grades K-6 and \$2,500 per child in grades 7-12.

### STUDENT ELIGIBILITY

Any parent or guardian who spends money on approved education expenses for a child, including tuition, is eligible to receive the deduction. Also, parents must be tax filers and have proof of eligible expenses.

### FRIEDMAN FEEDBACK

Minnesota has one of the oldest school choice programs in the country, but unfortunately that age is showing. The deduction amount is far below what would offer truly meaningful choice for parents, especially parents on the lower side of the income scale. Increasing the deduction size would offer a boost to those parents utilizing school choice. A better option would be to allow tuition to also be covered by Minnesota's tax credit for educational expenses (page 57). Mirroring the funding size of Wisconsin's new tuition tax deduction would move this program in the right direction.

### LATEST STATS (2011)

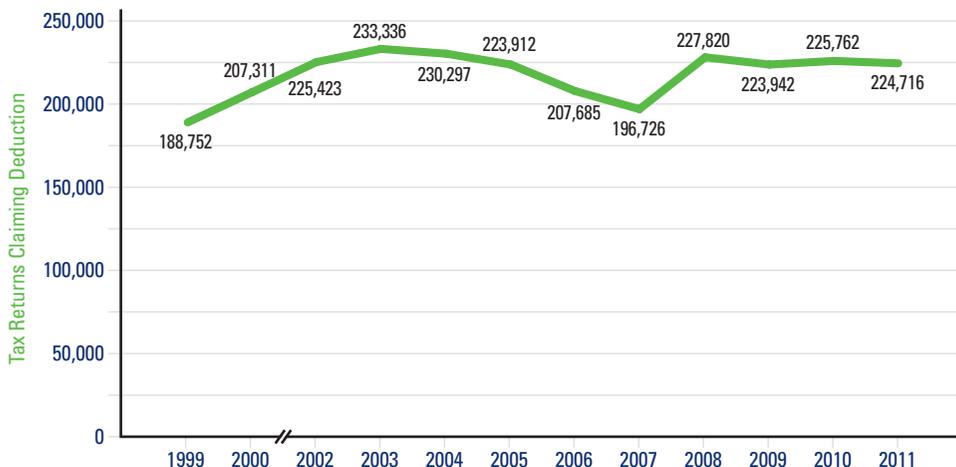
Taxpayers participating: **224,716**  
Average tax deduction value: **\$1,157**

All Minnesota taxpayers with K-12 children are eligible for the Education Deduction

**100%**

## MINNESOTA

Minnesota's tax deduction program has averaged more than 225,000 tax returns claiming the deduction over the last four years of publicly available data.



Liya is a gregarious young lady whose family, from Ethiopia, wanted her to be enrolled in a school that offered her a place to enrich her Catholic faith. They had heard good things about Saint Helena Catholic School from others from their country who had children enrolled there in the past.

Saint Helena offers a faith-based alternative to public schools built with state-of-the-art tools administered with special care by dedicated teachers in south Minneapolis. For nearly 90 years, it has provided a stable and fertile environment that nurtures growth in areas not necessarily available outside the private school option. Small classrooms afford personal attention and differentiated instruction that facilitates all levels of learning.

This kind of quality education comes at a price, which can become less of a determining factor for Minnesota parents when they take advantage of the available individual tax credit/deduction on their state income tax return. The school's website, [SaintHelenaSchool.us](http://SaintHelenaSchool.us), features a link to Minnesota's tax credit and deduction forms and instructions. Story and photo provided by Saint Helena Catholic School.



# MINNESOTA

## K-12 Education Credit

Enacted 1997 • Launched 1998 • Individual Tax Credit

Minnesota provides a tax credit covering educational expenses for students in any private or public school, including homeschooling. The tax credit reduces the family’s total tax liability and covers books, tutors, academic after-school programs, and other non-tuition educational expenses.

### TAX CREDIT VALUE

The tax credit is worth 75 percent of the amount spent on educational expenses other than tuition. The total credit amount that a family may claim is equal to \$1,000 per child in the family.

The refundable tax credit is phased out for taxpayers earning more than \$33,500. For families with one child, the maximum allowable credit is reduced by one dollar for every four dollars of income above \$33,500, and the family may not claim the credit at all if its income is above \$37,500. For families with two children, the maximum allowable credit is reduced by two dollars for every four dollars of income above \$33,500, and, again, the family may not claim the credit if its income is above \$37,500. For families with more than two children, the phase-out is still two dollars for every four dollars of income above \$33,500, but the \$37,500 income ceiling is raised by \$2,000 for each child after the first two. For example, a family with four children may not claim the credit if its income is more than \$41,500.

### STUDENT ELIGIBILITY

Parents must meet the abovementioned income restriction to claim the credit. Also, parents must be tax filers and have proof of eligible expenses.

### FRIEDMAN FEEDBACK

Minnesota’s Education Credit is plagued by complexities that make it difficult for the average taxpayer to utilize. A more streamlined program with universal eligibility would greatly enhance this program. Although this credit covers education expenses outside tuition, for both public and private schools, those expenses are usually a fraction of what tuition costs. This program could use a serious boost of funding by allowing private school tuition to be counted toward the credit. Moving toward a model more similar to Alabama’s tax credit for educational expenses would update this potentially promising program.

### LATEST STATS (2011)

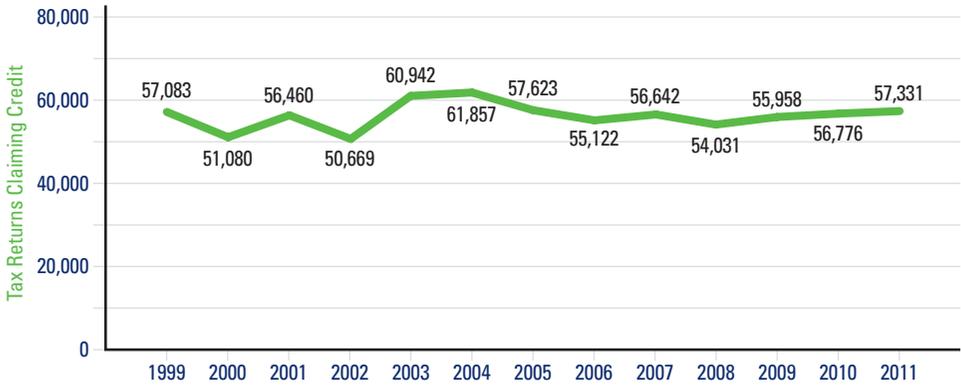
Taxpayers participating: **57,331**  
Average tax credit value: **\$273**

Percent of Minnesota families meeting the K-12 Education Credit’s income requirement

19%

## MINNESOTA

Since its peak usage in 2004, Minnesota's tax credits for educational expenses program has averaged more than 56,000 tax returns claiming the credit over the last seven years of publicly available data.



Grace's parents transferred her to Saint Helena Catholic School because they found her previous public school did not offer an environment that was as conducive for learning as they would have liked. They found, after taking a tour of Saint Helena, that its expectations of "Be Respectful, Be Responsible, Be Safe, and Be Like Christ" produce an environment that paves the way for exceptional learning opportunities for Grace.

Saint Helena Catholic School encourages its parents to take advantage of the available individual tax credit/deduction for educational expenses on their state income tax return. The school's website, [SaintHelenaSchool.us](http://SaintHelenaSchool.us), features a link to Minnesota's tax credit and deduction forms and instructions. Story and photo provided by Saint Helena Catholic School.



# MISSISSIPPI

## Mississippi Dyslexia Therapy Scholarship for Students with Dyslexia Program

Enacted 2012 • Launched 2012 • Voucher

Mississippi allows children with dyslexia to receive vouchers to attend private schools if their current public schools cannot provide programs that help reading disorders. Participating accredited private schools must be able to provide dyslexia therapy.

### STUDENT FUNDING

The maximum voucher amount is equal to the “Mississippi Adequate Education Program” base student cost, i.e., the funding amount provided by the state to public schools.

### STUDENT ELIGIBILITY

Students must be in first through sixth grade and have been screened properly and diagnosed with dyslexia. Students are eligible if they attended a public school before or a private school that “emphasizes instruction in dyslexia intervention.” The voucher is not available to fund homeschooling, virtual schools, or students in juvenile detention schools.

### FRIEDMAN FEEDBACK

Mississippi’s Dyslexia Therapy Scholarship program has room to grow in a few areas. On funding, the voucher amount is equivalent to the average amount of state spending per student, not the average amount of state spending per student with special needs. For this reason, the Mississippi Dyslexia Therapy Scholarship program has one of the lowest funding amounts when compared with other voucher programs for students with special needs. The program’s regulations also could become burdensome for private schools; for example, the state board of education is given authority to extend the length of the school day or year for private schools and even develop curriculum and determine textbooks. One way this program could expand to great success would be to mirror Florida’s, Georgia’s, and Oklahoma’s voucher programs for students with special needs. Because the program is set to expire July 1, 2016, the state should allow qualifying students to be automatically eligible for a larger school choice program for students with special needs.

### LATEST STATS (FALL 2013)

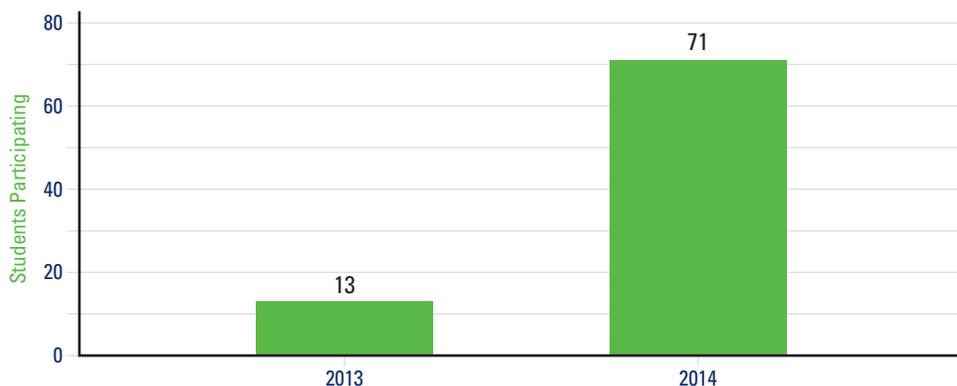
Students participating: **71**  
Schools participating: **3**  
Average voucher value: **\$4,530**

Percent of Mississippi K-12 students eligible for the Mississippi Dyslexia Therapy Scholarship for Students with Dyslexia Program



## MISSISSIPPI

Mississippi's voucher program for students with dyslexia increased enrollment more than four-fold in one year.



Karla enrolled her daughter, Avery, in the 3-D School in Petal through the state's Mississippi Dyslexia Therapy Scholarship for Students with Dyslexia Program. The 3-D School accepts second- and third-grade students, providing services that include comprehensive psycho-educational evaluations, speech and language therapy, parent support, and community outreach, according to the school's principal, Dr. Cena Holifield. Photo and story provided by the 3-D School.

## Nate Rogers Scholarship for Students with Disabilities Program

Enacted 2013 • Launched 2013 • Voucher

Mississippi allows children with speech-language impairments to receive vouchers to attend private schools. Participating accredited private schools must be able to provide speech-language therapy.

### STUDENT FUNDING

The maximum voucher amount is equal to the “Mississippi Adequate Education Program” base student cost, i.e., the funding amount provided by the state to public schools.

### STUDENT ELIGIBILITY

Students must be in grades K-6 and have been screened properly and diagnosed with speech-language impairment. Students are eligible if, during the previous school year, they attended a public or state-accredited special-purpose school that “emphasizes instruction in speech-language therapy and intervention.” The voucher is not available to fund homeschooling, virtual schools, or students in juvenile detention centers.

### FRIEDMAN FEEDBACK

Mississippi’s Nate Rogers Scholarship for Students with Disabilities Program, like its predecessor, is very restrictive. On eligibility, according to the American Speech-Language-Hearing Association, nearly 9 percent of young children could be diagnosed with speech-language impairment. That eligibility pool is restricted further in Mississippi in that the voucher is available only to children in grades K-6. Moreover, the Mississippi Department of Education has ruled that if a student with special needs has speech impairment, but speech impairment is not his or her primary disability, that student is ineligible to receive a Nate Rogers voucher. As for funding, the maximum voucher is equivalent to the average amount of state spending per student, not the average amount of state spending per student with special needs. Finally, the program’s regulations could become burdensome for private schools; for example, the state board of education is given authority to extend the length of the school day or year for private schools and even develop curriculum and determine textbooks. In addition, participating schools must be a state-accredited nonpublic special-purpose school that has as its primary purpose the providing of comprehensive speech-language therapy instruction delivered by speech-language pathologists. Accordingly, very few schools can participate in this program. One way this program could expand to great success would be to mirror Florida’s, Georgia’s, and Oklahoma’s voucher programs for students with special needs.

### LATEST STATS

Participating students: **N.A.**

Participating schools: **N.A.**

Average voucher value: **N.A.**

Percent of Mississippi K-12 students eligible for the Nate Rogers Scholarship for Students with Disabilities Program

**3%**



Haley and Davis enrolled their son, John Davis, in the 3-D School in Petal through the state's Mississippi Dyslexia Therapy Scholarship for Students with Dyslexia Program (page 59). Every classroom teacher at the 3-D School is a state licensed dyslexia therapist, providing integration and implementation of instruction throughout the day. Small class sizes allow the teachers/therapists to address the needs that are unique to every child with dyslexia. Photo and story provided by the 3-D School.



# NEW HAMPSHIRE

## Education Tax Credit Program

Enacted 2012 • Launched 2013 • Tax-Credit Scholarship

New Hampshire offers tax credits to businesses for donations to nonprofits that provide private school scholarships. Available tax credits were capped at \$3.4 million in the first year and are capped at \$5.1 million in the second year. That cap will increase by 25 percent per year thereafter if usage is above 80 percent.

### STUDENT FUNDING

The average value of all scholarships given by a scholarship organization cannot exceed \$2,500, except for students with special needs, whose scholarships cannot be less than \$4,375. That amount is adjusted each year to reflect the changes in the Consumer Price Index. For homeschoolers, the scholarship is limited to 25 percent of the program’s average scholarship, or \$625.

### STUDENT ELIGIBILITY

Students must be ages five to 20 and must come from households where family income is less than 300 percent of the federal poverty line (\$70,650 for a family of four in 2013-14). In the first two years of the program, scholarship organizations are required to award 70 percent of scholarship funds to students who previously attended a public school or who already received a scholarship. Additionally, 40 percent of scholarships awarded must be given to students who qualify for the federal free and reduced-price lunch program.

### FRIEDMAN FEEDBACK

New Hampshire’s tax-credit scholarship program is reasonable on school regulations; participating schools only must be approved private schools under state law. On funding and eligibility, however, the program has considerable room to grow. For example, scholarships are capped around 19 percent of per-student state and local funding in public schools; moreover, support to homeschoolers is limited to just 25 percent of what they would receive in public school. As for eligibility, the program is limited by income and by the statewide cap on tax credits, which would make scholarships available to fewer than 1 percent of students statewide. Importantly, that cap is allowed to grow automatically, an important component to ensure students are not shut out from receiving scholarships.

### LATEST STATS (2012-13)

Students participating: **103**

Schools participating: **47**

Scholarship organizations: **1**

Average scholarship value: **\$1,246**

Percent of New Hampshire families meeting the Education Tax Credit Program’s income requirement





New Hampshire is the only state in the nation where families can use tax-credit scholarships for assistance with their homeschooling expenses. Hope and Hunter were two of the 56 financially needy children that the Network for Educational Opportunity (NEO) was able to help in their inaugural year of scholarship operations in New Hampshire. "Without the scholarship from NEO, homeschool would not have been an option for us," said Melissa, Hope and Hunter's mother. "We are a large family with very limited resources for supplies, books, workbooks, and electronic technology. The generosity of the Network for Educational Opportunity has made it possible for us to purchase everything we needed to become a successful homeschooling family." Photo and story provided by Melissa Cogan and the Network for Educational Opportunity.





# NORTH CAROLINA

## Special Education Scholarship Grants for Children with Disabilities

Enacted 2013 • Launched 2014 • Voucher

North Carolina allows students with special needs to receive vouchers to attend private schools.

### STUDENT FUNDING

Vouchers are worth up to \$3,000 per semester (\$6,000 per school year) and may be used for private school tuition and special education services, including services provided to homeschooled students. A total of \$3 million is available for vouchers for each fiscal year, and any leftover funds will carry over to the next fiscal year.

### STUDENT ELIGIBILITY

To qualify, students must require an Individualized Education Plan (IEP) and receive special education services on a daily basis. Additionally, students must have either been (1) enrolled in a North Carolina public school during the previous semester, (2) received special education services as a preschooler during the previous semester, (3) received a voucher under this program during the previous semester, or (4) be eligible for enrollment in kindergarten or first grade.

### FRIEDMAN FEEDBACK

Although North Carolina already improved school choice for students with special needs (by shifting from a nonrefundable, individual tax credit for educational expenses to this new voucher program), the current policy still could be improved. The program is somewhat strong on eligibility, as any student with an IEP qualifies to receive funds. However, funding is relatively weak, as each student can receive only \$6,000 each year. That amount is less than the average per-pupil funding statewide and does not take into account the additional funds that many students with disabilities need for required specialized services.

### LATEST STATS

Participating students: **N.A.**

Participating schools: **N.A.**

Maximum voucher value:

**\$3,000** per semester

Percent of North Carolina K-12 students eligible for Special Education Scholarship Grants for Children with Disabilities





Tracey, from Greensboro, wants her six-year-old son, Brayden, who has severe dyslexia, to receive the education he needs. “I’m frustrated that every day I have to call his school and make sure they have called on him once,” Tracey said. “Or that every two weeks I have to ask if we can have a meeting to discuss his progress and what can be done at home.” Tracey’s frustration led her to apply for a Children with Disabilities Scholarship Grant, which provides eligible families up to \$6,000 for private school tuition and special education and related services. “For us, a Children with Disabilities Scholarship is an absolute must,” Tracey said. “We really need it. We cannot put Brayden in the specialized school he needs without it.” Photo and story provided by Parents for Educational Freedom in North Carolina.



# NORTH CAROLINA

## Opportunity Scholarships

Enacted 2013 • Launches 2014 • Voucher

In the 2014-15 school year, North Carolina will award vouchers statewide to students whose families meet certain income requirements.

### STUDENT FUNDING

The maximum voucher amount allowed is \$4,200, not to exceed the private school’s actual tuition and fees. The vouchers may be used for tuition, transportation, equipment, or any other items required by qualifying private schools.

### STUDENT ELIGIBILITY

For the first year of the program, students are eligible to receive vouchers if they reside in a household that qualifies for the federal free and reduced-price lunch (FRL) program (\$43,568 for a family of four in 2013-14). Students must also have been attending a public school during the 2014 spring semester. If the program is funded in future years, eligibility increases to households with incomes up to 133 percent of the FRL program, and kindergartners and first-graders qualify for vouchers without having to attend a public school.

### FRIEDMAN FEEDBACK

Like many other voucher programs around the nation, North Carolina’s new income-tested program could be improved on both student funding and eligibility. Private schools that decide to accept Opportunity Scholarship students do face significant regulations as well, including requirements to administer nationally standardized tests and report graduation rates to the state for all voucher students—parents should drive both activities. Encouragingly, if the program is funded in future years, the eligibility pool expands to include higher-income households. Still, this program is a tremendous first start toward providing North Carolina families with more educational options.

### LATEST STATS

Participating students: **N.A.**  
Participating schools: **N.A.**  
Maximum voucher value: **\$4,200**

Percent of North Carolina families meeting the income requirement for Opportunity Scholarships

31%



Jamie, from Mebane, was able to find a private school that caters to his 10-year-old daughter Asela's individual needs. Now Asela is excited about school and takes the initiative to learn on her own. "The ability to be able to bring her here (to Montessori school) was a big choice for us," Jamie said. "My wife had to go back to work because there was a huge expense to it. But the way I look at it is 'Do you invest in your child's education early on knowing that scholarships and the reward of college is going to be better?' versus 'Do you save for college and they're not really prepared for it and they fail out?'" North Carolina parents, for whom finances have long been a barrier to their child receiving the best possible education, no longer have to face such a harsh choice. State leaders approved in 2013 the Opportunity Scholarships program, which will provide eligible families up to \$4,200 to send their child to a private school of their choice starting in the 2014-15 school year. Photo and story provided by Parents for Educational Freedom in North Carolina.

## Cleveland Scholarship & Tutoring Program

Enacted 1995 • Launched 1996 • Voucher

Parents in the Cleveland Metropolitan School District can receive vouchers to send their children to private school or public schools bordering the school district. No more than half of new recipients may be students previously enrolled in private schools.

### STUDENT FUNDING

The maximum voucher value is \$4,250 for grades K-8 and \$5,700 for high school. Families with incomes less than 200 percent of the federal poverty level receive vouchers worth 90 percent of tuition, whereas families above the 200 percent level receive vouchers worth 75 percent of tuition. Parents whose household income is more than the 200 percent threshold agree to pay the remaining tuition.

### STUDENT ELIGIBILITY

Children in grades K-12 in the Cleveland Metropolitan School District are eligible. Priority is given to families with incomes less than 200 percent of the federal poverty level (\$47,100 for a family of four in 2013-14). Children from families with incomes above 200 percent of poverty are eligible to receive vouchers if approved by the Ohio Superintendent of Public Instruction. Participating private schools must accept voucher students on a random basis, giving preference to low-income students if they have more applicants than open seats.

### FRIEDMAN FEEDBACK

Cleveland's voucher program, one of the oldest in the country, could use some refurbishment. Funding for the program is severely restricted, often times below what a private school is able to charge in tuition. This could get a boost to be closer to what the public school system spends per student (\$12,147), which would greatly benefit the poorest families and schools that would not have to make up the difference in cost. Private school regulations are burdensome, lowering the number of private schools willing to participate, because of mandatory minimum class size requirements, and, at the K-3 level, enrollment based on random lottery, income level, and previous enrollment. Additionally, each year the school must administer annual tests and report that data to the state Department of Education. A bright spot for the program is that parents above the income threshold are able to participate albeit at a reduced funding level.

### LATEST STATS (2013-14)

Students participating: **6,027**

Schools participating: **35**

Average voucher value:

**\$4,112** (2012-13)

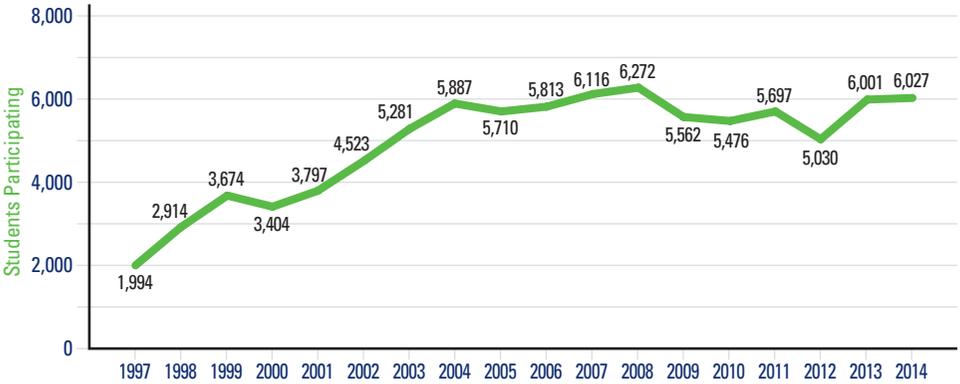
All K-12 students enrolled in the Cleveland Metropolitan School District are eligible for the Cleveland Scholarship & Tutoring Program\*

**100%**

\*The Ohio Superintendent must approve families with incomes more than 200 percent of poverty

**OHIO**

The number of Cleveland students using vouchers increased by nearly 20 percent since 2012.



Mary, a freshman from Cleveland, wanted to attend Saint Joseph Academy, an all-girls private school, but her family could not take on the financial responsibility. When Mary learned she could attend the school with the help of the Cleveland Scholarship & Tutoring Program, she was thrilled. She is delighted to be able to attend a school that she says is giving her a brighter future. Her two younger sisters can't wait to join her at Saint Joseph Academy in the coming years with the help of the voucher program. Mary's family is very grateful for the opportunity the Cleveland Scholarship provides them to make their own school choice. Story and photo provided by School Choice Ohio.

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## Autism Scholarship Program

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Enacted 2003 • Launched 2004 • Voucher

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Ohio students on the autism spectrum may receive vouchers for education services from a private provider, including tuition at a private school. After participating students receive education services, they apply to the state for reimbursement of expenses.

### STUDENT FUNDING

Education services chosen by parents will be reimbursed by the state for up to \$20,000 per year.

### STUDENT ELIGIBILITY

Students must be ages three to 21, diagnosed with an autism spectrum disorder, and registered in a public school special education system. Students may use the voucher whether or not they were enrolled previously in public schools, though students not previously enrolled in public schools must formally transfer into the public system (they do not need to actually leave their private schools).

### FRIEDMAN FEEDBACK

Ohio's Autism Scholarship Program is very similar to Mississippi's Dyslexia Therapy Scholarship in that it is limited to a small percentage of students with special needs. Although the program's per-pupil funding of \$20,000 appears generous, it actually is less than the figure that results from Ohio's multiplier used to calculate funding for pupils with autism. The program also could improve the regulations it places on participating schools: Schools must have employees with appropriate state credentials, provide quarterly reports to the school district showing academic progress, be in operation for at least one year, and provide academic reports to parents and the child's resident public school. For those reasons, Ohio's Autism Scholarship potentially could serve more if it placed fewer regulations on schools and service providers and brought per-pupil funding in line with what students get in their public schools.

### LATEST STATS (2013-14)

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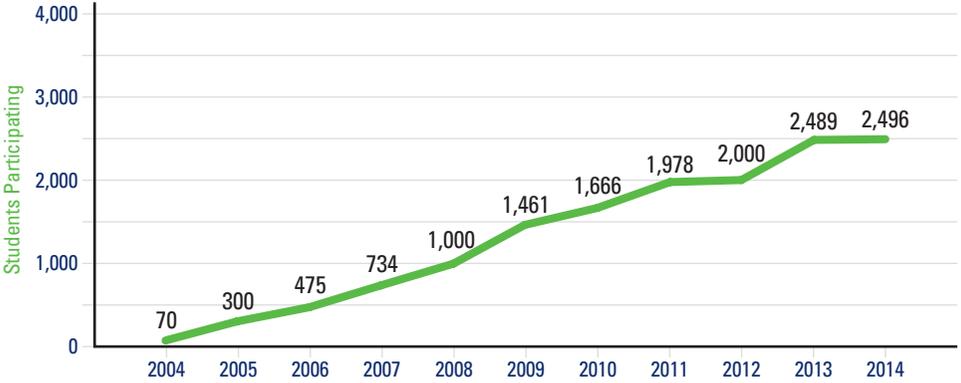
Students participating: **2,496**  
Service providers participating: **267**  
Average voucher value:  
**\$19,103** (2012-13)

Percent of Ohio K-12 students eligible  
for the Autism Scholarship  
Program

**1%**

**OHIO**

Participation in Ohio's Autism Scholarship Program has increased every year since its creation in 2004.



With the help of Ohio's Autism Scholarship Program, Jacob attends St. William School in Cincinnati as a kindergartner. Jacob's mother, Jenny, is thrilled that her son has the opportunity to attend what she says is an amazing school filled with well-educated, loving, patient, and energetic teachers who are determined to help their students reach their goals. She is quick to point out that many of these goals are ones that parents never dreamed their children could reach with such a serious diagnosis. Jenny considers the Autism Scholarship Program a blessing, and she is already seeing Jacob make tremendous progress. She is excited about what the future holds for Jacob because of the choice Ohio has given her son for an exceptional education at St. William School. Photo and story provided by Jenny Wendling.

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## Educational Choice Scholarship Program

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Enacted 2005 • Launched 2006 • Voucher

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Ohio students attending chronically low-performing public schools are eligible for “EdChoice” vouchers to attend private schools. The cap on available vouchers is 60,000.

### STUDENT FUNDING

Vouchers are worth up to \$4,250 in grades K-8 and \$5,000 in grades 9-12, not to exceed the private school’s actual tuition and fees. Participating schools may charge additional tuition for students whose household incomes exceed 200 percent of the federal poverty level, but must accept the voucher as payment in full for students at or below the 200 percent level.

### STUDENT ELIGIBILITY

Students are eligible if they attend a local public school that has been designated in a state of “academic watch” or “academic emergency” by the state for two of the last three years, or if they would be assigned to such a school based on their residence but are instead currently enrolled in a charter school or are entering kindergarten. Students enrolling in grades K-12 in Ohio for the first time and would be assigned to a qualifying school are eligible, as long as they are at least five years old by January 1 of the school year. Students in “open enrollment” districts who are enrolled in charter schools or entering kindergarten are eligible if the district has been designated in a state of academic emergency for three consecutive years. Also, students who are either enrolled or eligible to be enrolled in public schools that got a performance index grade in the lowest 10 percent for two of the most recent three rankings and that were also not declared to be “excellent” or “effective” in the most recent ranking are eligible. Beginning in 2016-17, students in grades K-3 who are enrolled in a local public school that has received a grade of “D” or “F” in “making progress in improving K-3 literacy” in two of the three most recent state report cards and has not received an “A” in the same category in the most recent report card issued prior to July 1 of the school year are also eligible.

### FRIEDMAN FEEDBACK

Although a large number of children are eligible under EdChoice, it is extremely difficult to inform parents about their options. The fluid nature of public school rankings makes it hard for parents to be informed of their eligibility year over year. A simpler system, one that is universal or tied to income, would be simpler to administer for the state. School funding is another sore spot, as it is limited to 39 percent of the public school expenditures. This is a paltry sum of money for private schools, which

### LATEST STATS (2013-14)

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Students participating: **16,999**

Schools participating: **443**

Average voucher value:

**\$4,105** (2012-13)

Percent of Ohio K-12 students eligible  
for the Educational Choice  
Scholarship Program

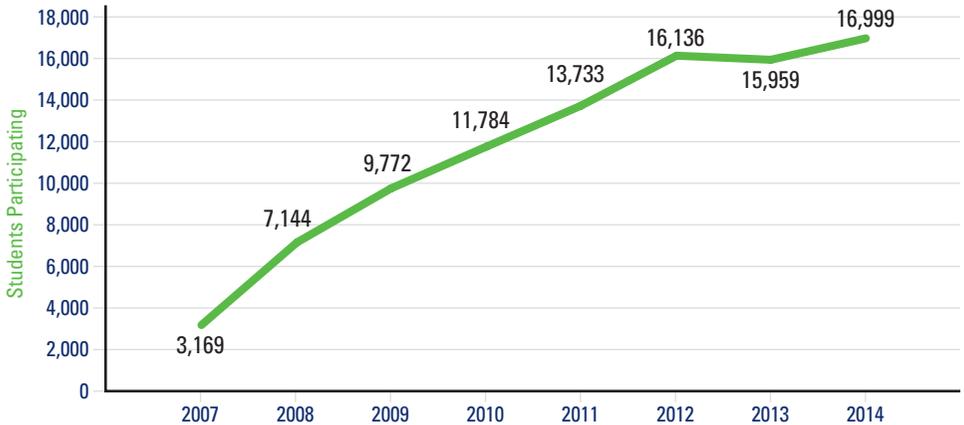


**5%**

must accept the amount as payment in full for the poorest children. Additionally, the schools must also test students and report those scores back to the state Department of Education, increasing regulatory and compliance costs for those schools. Ohio would be wise to simplify this voucher program and tie eligibility to something less prone to fluctuations.

## OHIO

Ohio's EdChoice voucher program saw enrollment grow nearly 7 percent since 2013.



Abigail is an EdChoice Scholarship recipient who is in eighth grade at Cincinnati Waldorf School. She studies everything from cooking and woodcraft to theater, music, and dance, in addition to her regular, rigorous academic courses. Abigail truly has bloomed during her time at Cincinnati Waldorf. Her mother, Holli, says the EdChoice Scholarship Program gave their family the opportunity to remain in a community that they love while still providing their children the education they deserve. Without the voucher program, they would have moved to give their children a better education. Thanks to the voucher, they were able to remain in their home and in their community where they can continue to serve as good role models and mentors for local children. "We are a better family because of EdChoice," Holli said, "and because we are a better family, we're helping to build a better community." Photo and story provided by Holli Stevenson.

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## Jon Peterson Special Needs Scholarship Program

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Enacted 2011 • Launched 2012 • Voucher

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Ohio parents of children with special needs enrolled in public schools are able to receive vouchers to pay for private school tuition and additional services at private therapists and other service providers. Vouchers can be used at public providers (i.e., school districts) if the district chooses to accept voucher students. The number of vouchers available is capped at 5 percent of the students with special needs statewide.

### STUDENT FUNDING

Vouchers are worth the lesser of fees or tuition charged by the alternative public or private school, the amount of state aid otherwise provided to the public school district, or \$20,000. The amount is reduced proportionately if the child is not enrolled in the alternative or private school for the entire school year. The Ohio Department of Education sets maximum funding amounts for different types of disabilities.

### STUDENT ELIGIBILITY

Children with disabilities must be between ages five and 21, and have at least an initial Individualized Education Plan (IEP) from the public school district. Vouchers will not be awarded if the IEP is still being developed or is in litigation. Parents must apply for eligibility. Their application must certify that they have received the following information from the alternative or private school: methods of instruction to be used with the child and qualifications of the teachers and instructors who will provide services.

### FRIEDMAN FEEDBACK

The Jon Peterson Special Needs Scholarship Program offers generous funding levels to parents, up to \$20,000 per child annually. However, the eligibility is capped at only 5 percent of the students statewide, a number that is arbitrarily too low. Likewise, private school regulations are burdensome as participating schools must employ credentialed teachers approved by the state board as well as its entire education program approved by the state Department of Education. Additionally, the students must take the state test and report them to the Ohio Department of Education, unless that student is excused by federal law or by an IEP. By removing some of the onerous regulations on schools, those educational bodies would be more willing to help serve more students with special needs.

### LATEST STATS (2013-14)

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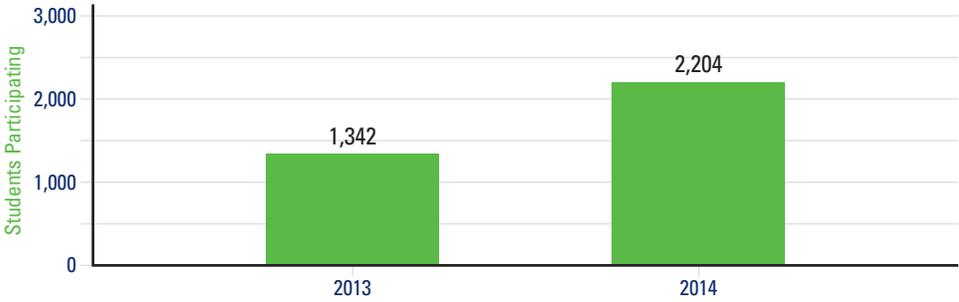
Students participating: **2,204**  
Service providers participating:  
**194** (2012-13)  
Average voucher value:  
**\$8,543** (2012-13)

Percent of Ohio K-12 students eligible  
for the Jon Peterson Special Needs  
Scholarship Program



**14%**

Participation in Ohio's Jon Peterson Special Needs Scholarship Program has increased by nearly two-thirds in its second year.



Shawn was born premature, and as a result, suffered multiple medical complications, including Cerebral palsy. His mother, Enid, heard from doctors and educators that she shouldn't expect much from Shawn, but she knew better. Enid pushed Shawn and taught him to never give up. When Ohio passed the Jon Peterson Special Needs Scholarship Program, Shawn and his mother reached out to School Choice Ohio to find out about providers in their area, and one local provider—Creative Life and Work in Springfield—turned out to be a great fit. While he was bullied in previous education settings, Shawn is now excited to go to school every day. He is thriving in an environment that is helping him work toward accomplishing his lifelong goal of becoming a truck driver or a forensic scientist. Photo and story provided by School Choice Ohio.

## Income-Based Scholarship Program

Enacted 2013 • Launched 2013 • Voucher

Income-qualified Ohio kindergartners are eligible for vouchers to attend private schools, provided they are not otherwise eligible for a voucher in Ohio. In future years of the program, the next grade higher will be added each subsequent year.

### STUDENT FUNDING

Vouchers are worth up to \$4,250, not to exceed the private school's actual tuition and fees. Voucher amounts fluctuate based on family income.

### STUDENT ELIGIBILITY

In the first year of the program, students are eligible if they are incoming, first-time kindergartners from families with incomes (1) no more than 200 percent of the federal poverty level (\$47,100 for a family of four in 2013-14) for a maximum voucher, (2) above 200 percent but no more than 300 percent of the federal poverty level (\$70,650 for a family of four in 2013-14) for a voucher worth \$3,187.50, or (3) above 300 percent but no more than 400 percent of the federal poverty level (\$94,200 for a family of four in 2013-14) for a voucher worth \$2,125. If more applications are received than available vouchers, priority will be given first to students who received vouchers in the previous year, second to students from families with incomes at or below 100 percent of the federal poverty level (\$23,550 for a family of four in 2013-14), and third to students from families with incomes between 100 and 200 percent of the federal poverty level. Once they receive a voucher, a student is eligible in future years unless their family income exceeds 400 percent of the federal poverty level. Only students from low-income families who do not qualify for the EdChoice Scholarship Program are eligible.

### FRIEDMAN FEEDBACK

The enrollment cap in Ohio's new Income-Based Scholarship Program is one area where this program could improve. It is arbitrarily limited to 2,000 kindergartners for the first year, and then 2,000 children each subsequent year until grade 12 is reached for a total of 26,000 children. The income thresholds are very generous for families in the program to allow for job growth and additional income, a model other states could follow. Because Ohio has five school choice programs, it could seek to streamline each of those under this voucher program by raising and restructuring the eligibility caps, and sun-setting the other programs. This would lower administrative costs for the state, and help increase parent participation and eligibility.

### LATEST STATS (2013-14)

Students participating: **937**  
Schools participating: **443**  
Maximum voucher value: **\$4,250**

Percent of Ohio families meeting the  
Income-Based Scholarship Program's  
income requirement



62%



David and Stefanie, formerly of Los Angeles, currently reside in Cleveland Heights. David is a plumber and Stefanie works raising their five children. While in Los Angeles, their two oldest children attended public school and were very happy with the education it provided. In Cleveland, however, they discovered that the public school in their area could not provide the education they wanted for their children. Thanks to Ohio's voucher expansion, they were able to choose a school, Hebrew Academy of Cleveland, which provided an exemplary education and reflected their values. While their two oldest children were not able to receive vouchers (funding is currently available only for kindergarten, with one grade to be added per year) their son, Aron, was able to receive one for kindergarten. David and Stefanie now have the ability to provide the education they want for their children. Photo and story provided by Agudath Israel of America.



# OKLAHOMA

## Lindsey Nicole Henry Scholarships for Students with Disabilities

Enacted 2010 • Launched 2010 • Voucher

Any Oklahoma student with special needs currently in public school is eligible to receive a voucher to attend private school.

### STUDENT FUNDING

The voucher is worth the state and local dollars spent on the child in his or her public school or the chosen private school's tuition and fees, whichever is less. The child's resident school district can keep up to 5 percent of the funds for administrative purposes.

### STUDENT ELIGIBILITY

Any student with an Individualized Education Plan (IEP) in effect and who either spent the prior year attending an Oklahoma public school or is the child of an active-duty member of the armed forces who has been stationed in Oklahoma is eligible. After receiving a voucher, the child will continue to qualify each year through high school graduation or until such time as the child would return to a public school.

### FRIEDMAN FEEDBACK

Oklahoma's voucher program for children with special needs earns high marks for funding. The program also has fairly minimal regulations: Private schools must meet the state's accreditation requirements, demonstrate fiscal soundness, adhere to nondiscrimination law, follow health and safety codes, be academically accountable to parents, and be in operation for at least one year before accepting students. The only shortcoming of Oklahoma's voucher program is its obvious limitation in terms of student eligibility. Given its other strengths, Oklahoma should consider expanding the program's eligibility pool to include more students in need.

### LATEST STATS (2013-14)

Students participating: **282**

Schools participating: **33**

Average voucher value:

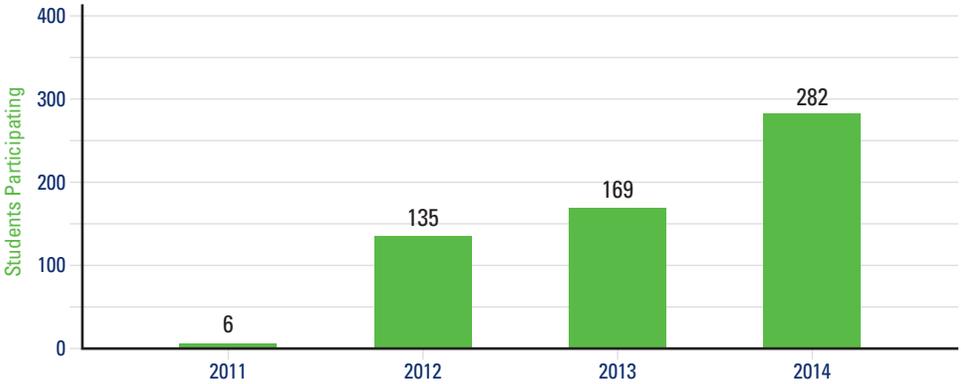
**\$7,831** (2012-13)

Percent of Oklahoma K-12 students eligible  
for the Lindsey Nicole Henry Scholarships  
for Students with Disabilities

**15%**

## OKLAHOMA

Participation in Oklahoma's voucher program for students with special needs grew 67 percent since last year.



Dillon was officially diagnosed with Asperger's Syndrome when he was seven years old. He attended a private kindergarten, but by the time he was ready to enter elementary school, private school tuition had become unaffordable for his single mother. Dillon enrolled in the public school system in the first grade and was instantly bullied. Not a day went by he did not come home from school telling his mother and grandmother he wanted to go to heaven because everyone hated him at school. When Dillon was eight, he was hospitalized for three months at an institution for the mentally insane to protect him from harming himself. His mother, Diana, learned about the Lindsey Nicole Henry scholarship and applied for it. When they were notified that Dillon was going to receive the scholarship, they enrolled him in Trinity Episcopal School, where they used multi-sensory learning and individualized instruction. Dillon has been at Trinity since September 2013, and now comes home energized, excited to share what he learned at school and new friends made. For Dillon, the Lindsey Nicole Henry scholarship was nothing less than life saving. Photo and story provided by the Oklahoma Council of Public Affairs.



# OKLAHOMA

## Oklahoma Equal Opportunity Education Scholarships

Enacted 2011 • Launched 2013 • Tax-Credit Scholarship

Oklahoma provides tax credits for donations to Scholarship Granting Organizations (SGOs), nonprofits that must spend a portion of their expenditures on private school scholarships for low-income students in an amount equal to or greater than the percentage of low-income students in the state. The allowable tax credit is 50 percent of the amount of contributions made during a taxable year, up to \$1,000 for single individuals, \$2,000 for married couples, and \$100,000 for corporations. The program is capped at \$5 million, of which \$3.5 million is dedicated to private school scholarships with a separate \$1.5 million in tax credits available for donations made to organizations that distribute “educational improvement grants” to public schools. Each donor category (individual and corporate) may use up to \$1.75 million of the \$3.5 million cap. If donations exceed the statewide cap in a given year, the Oklahoma Tax Commission will allocate the tax credits to individuals (or corporations) on a pro-rata basis. If individual donations fail to meet the \$1.75 million cap while corporate donations exceed the cap, the unused individual credits can be allocated to corporations (and to a separate tax credit for public school improvement grants), and vice versa.

### STUDENT FUNDING

For students without an Individualized Education Plan (IEP), scholarships may be worth up to \$5,000, or 80 percent of the average per-pupil expenditure in the assigned public school district, whichever is greater. For students with special needs who attended a public school with an IEP, the scholarship is worth up to \$25,000.

### STUDENT ELIGIBILITY

Students are eligible if they either live in families with incomes up to 300 percent of the free and reduced-price lunch program (\$130,704 for a family of four in 2013-14) or attend or live in the attendance zone of a public school designated as “in need of improvement.” Once a student has received a scholarship, that student and his or her siblings remain eligible until high school graduation or age 21.

### FRIEDMAN FEEDBACK

Oklahoma’s tax-credit scholarship program could be one of the most generous in the nation because of the high income limit for eligibility and per-student funding. In practice, however, the \$3.5 million cap on credits severely restricts the number and amount of scholarships that can be awarded. If all scholarships awarded were \$5,000, only 700 students could participate. Additionally, the pro-rata

### LATEST STATS (2013-14)

- Students participating: **467**
- Schools participating: **33**
- Scholarship organizations: **2**
- Average scholarship value: **\$270**

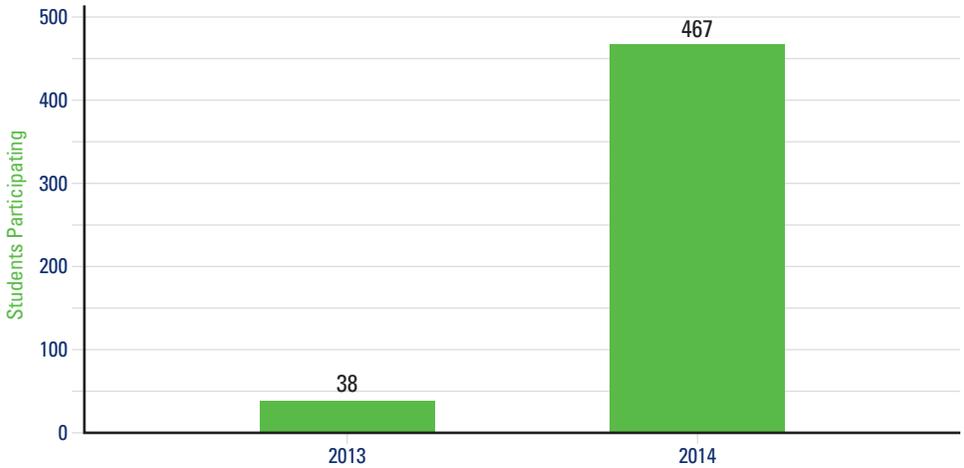
Percent of Oklahoma families meeting the Oklahoma Equal Opportunity Education Scholarships’ income requirement



distribution of tax credits to donors makes administration very difficult for SGOs, as they cannot notify donors of the credit they will receive until the state tax commission receives all credits claimed for the year. Donors are also only allowed a 50 percent tax credit for donations. The program has a reasonable level of school regulations: Participating schools must provide progress reports to parents, be accredited, follow health and safety codes, and obey nondiscrimination laws. The program has a tremendous opportunity to be one of the nation's strongest, if the eligibility and overall funding cap are raised or removed entirely and the pro-rata method for distributing tax credits is removed.

## OKLAHOMA

Enrollment in Oklahoma's tax-credit scholarship program grew more than 11-fold since 2013.



Michael was adopted by his parents two years ago after spending eight years in the foster care system. During that time he was placed with 17 different families, none of whom kept him for more than a few months. He went to 17 different public schools, never reading beyond a first-grade level. When his parents discovered the Lindsey Nicole Henry scholarship (page 79), Deborah, his mom, said it was a godsend. Immediately upon his enrollment to Trinity Episcopal School, Michael's teacher tailored his education to meet each of his individual needs. For the first time, Michael was in a learning environment that spurred educational, physical, and emotional development. He was able to use assistive technology to conquer his writing obstacles and advance academically. Without the Lindsey Nicole Henry scholarship, his parents say this never would have been possible. Photo and story provided by the Oklahoma Council of Public Affairs.



# PENNSYLVANIA

## Educational Improvement Tax Credit Program

Enacted 2001 • Launched 2001 • Tax-Credit Scholarship

Pennsylvania provides tax credits for corporate contributions to Scholarship Organizations (SOs), nonprofits that provide private school scholarships, or Educational Improvement Organizations, nonprofits that support innovative programs in public schools. Tax credits are worth 75 percent of the contribution; however, a 90 percent credit can be claimed if the corporation commits to two consecutive annual contributions. In either case, the maximum tax credit is \$750,000 per company. Credits are awarded to companies on a first-come, first-served basis until the cap is reached. The total amount of tax credits is limited to \$100 million.

### STUDENT FUNDING

SOs are able to determine scholarship amounts.

### STUDENT ELIGIBILITY

Children are eligible for scholarships if their household incomes are less than \$75,000 plus \$15,000 for each child in the family. For example, a family with one child must have an income below \$90,000, whereas a family with three children must have an income below \$120,000. The figures will increase in future years to account for inflation.

### FRIEDMAN FEEDBACK

Pennsylvania’s tax-credit scholarship program has considerable room to grow on student eligibility, as the cap on available tax credits is limited to \$100 million. However, the income requirements in the program are among the most generous of the means-tested school choice programs. As for scholarship funding, the program gives SOs the opportunity to determine the size of scholarships distributed; however, that is somewhat meaningless given the cap on overall funding, which tends to incent SOs to give smaller scholarships. The program fares well on school regulations; there are no testing requirements, admissions requirements, and all private schools can qualify as long as they satisfy the state’s mandatory attendance requirements and obey the Civil Rights Act of 1964. Pennsylvania’s program should increase the overall cap on tax credits, which would allow scholarship sizes and student participation numbers to grow.

### LATEST STATS (2012-13)

Scholarships awarded: **59,218**  
Schools participating: **N.A.**  
Scholarship organizations: **266**  
Average scholarship value:  
**\$990** (2011-12)

Percent of Pennsylvania families\* meeting the Educational Improvement Tax Credit Program’s income requirement



\*Assumes one child per family

## PENNSYLVANIA

Pennsylvania's first tax-credit scholarship program has added more than 39,000 students over the past decade.



Makenzi, left, and Angela, right, benefit from small classrooms in Logos Academy's new facility located on the Codorus Creek within the heart of York City. Logos Academy students pursue a curriculum that emphasizes the language arts and humanities, seeking to develop their characters and expand their horizons. The socioeconomic and cultural diversity made possible by Pennsylvania's tax-credit scholarship programs enables students to bring a wide array of life experiences and family heritages into their classrooms. Logos Academy enables these young ladies to receive a private education and contribute their many abilities to the enrichment of the school's learning community. Story and photo provided by Logos Academy.



# PENNSYLVANIA

## Opportunity Scholarship Tax Credit Program

Enacted 2012 • Launched 2012 • Tax-Credit Scholarship

Pennsylvania provides tax credits for corporate contributions to Scholarship Organizations (SOs), nonprofits that provide private school scholarships. A company may claim a tax credit worth 75 percent of its contribution (90 percent if it commits to the same amount for two consecutive years). Tax credits are available on a first-come, first-served basis. The total funding amount of tax credits is capped at \$50 million. SOs also are required to give preference to students who received scholarships the previous year, those eligible for free and reduced-price lunch (FRL), and FRL students in certain school districts (a “first class” school district, a district with more than 7,500 students that receives an advance of its basic education subsidy, or a school district that has both received an advance of its subsidy and is either in financial distress or is involved in a school finance lawsuit against the state).

### STUDENT FUNDING

SOs determine the amount of scholarships, which are capped at \$8,500 for non-disabled students (\$15,000 for students with disabilities), or the amount of tuition and fees, whichever is less. Public school boards also are allowed to set up tuition grant programs that allow students to attend a public or private school. For private schools under such programs, the tuition grant is limited to the state’s per-pupil subsidy amount.

### STUDENT ELIGIBILITY

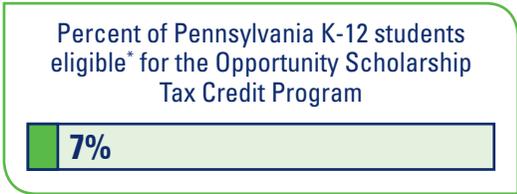
Students must live in a “low-achieving” school zone, with low-achieving defined as the state’s bottom 15 percent of public schools based on standardized test scores. Also, children are eligible only if their household incomes are less than \$75,000 plus \$15,000 for each child in the family. Income limitations multiply for students with certain disabilities. Starting July 1, 2014, those levels increase to account for inflation.

### FRIEDMAN FEEDBACK

Because of the myriad requirements needed to qualify for a scholarship—coupled with the overall funding cap—the chief weakness of Pennsylvania’s newer tax-credit scholarship program is its student eligibility, which is unfortunate because other elements of the program are strong. On school regulations, there are no testing requirements or admissions restrictions; schools simply must obey nondiscrimination laws. For this program to grow successfully, Pennsylvania should consider cutting some of the complexity and red tape placed on student eligibility.

### LATEST STATS

- Scholarships awarded: **N.A.**
- Schools participating: **N.A.**
- Scholarship organizations: **N.A.**
- Average scholarship value: **N.A.**



\*Assumes one child per family



In Logos Academy's music room, from left to right, Katrina, Ellis, David, and Mekhi enjoy preparing to share their musical talents with their peers. With the emphasis that Logos Academy's curriculum places on the liberal arts, its students are able to spend time enjoying their creative abilities through visual and performing arts. Students attending Logos Academy all benefit from Pennsylvania's tax-credit scholarship programs. There is a particular benefit to the diversity that those scholarships make possible when students share their many academic and creative gifts with one another. Logos places great value on the insights that students gain when they hear others' unique stories and life passions. Story and photo provided by Logos Academy.



## Tax Credits for Contributions to Scholarship Organizations

Enacted 2006 • Launched 2007 • Tax-Credit Scholarship

Rhode Island provides a credit on corporate income taxes for donations to Scholarship Granting Organizations (SGOs), nonprofits that provide private school scholarships. Tax credits are worth 75 percent of the contribution, or 90 percent if donated for two consecutive years and the second year’s donation is worth at least 80 percent of the first year’s donation. The total amount of tax credits is capped at \$1.5 million. Each corporate donor can receive only \$100,000 in tax credits each year, and cannot use surplus donations in one year to generate tax credits in future years.

### STUDENT FUNDING

Each SGO determines the amount of the scholarships it distributes.

### STUDENT ELIGIBILITY

Students must have family incomes at or below 250 percent of the poverty level (\$58,875 for a family of four in 2013-14).

### FRIEDMAN FEEDBACK

In 2013, the Rhode Island General Assembly increased the cap on available tax credits by 50 percent. However, at \$1.5 million, that cap is still extremely low when compared to demand. Only about one-third of potential donors have been able to participate in any given year. SGOs have the ability to determine their own student funding amounts, which is a plus; however, the overall cap on tax credits severely limits the potential and overall scope of those scholarships. The 75 percent deduction if donating for one year or 90 percent if donating for two years offers an attractive opportunity for corporations to continue supporting the program. And private school regulation is kept to a minimum: Schools must comply with health, safety, and nondiscrimination laws, employ teachers with bachelor’s degrees, and conduct teacher background checks. The program could serve more children if the overall cap were increased or an escalator clause were added to allow the program to grow to match demand.

### LATEST STATS (2012-13)

Students participating: **382**

Schools participating: **54**

Scholarship organizations: **5**

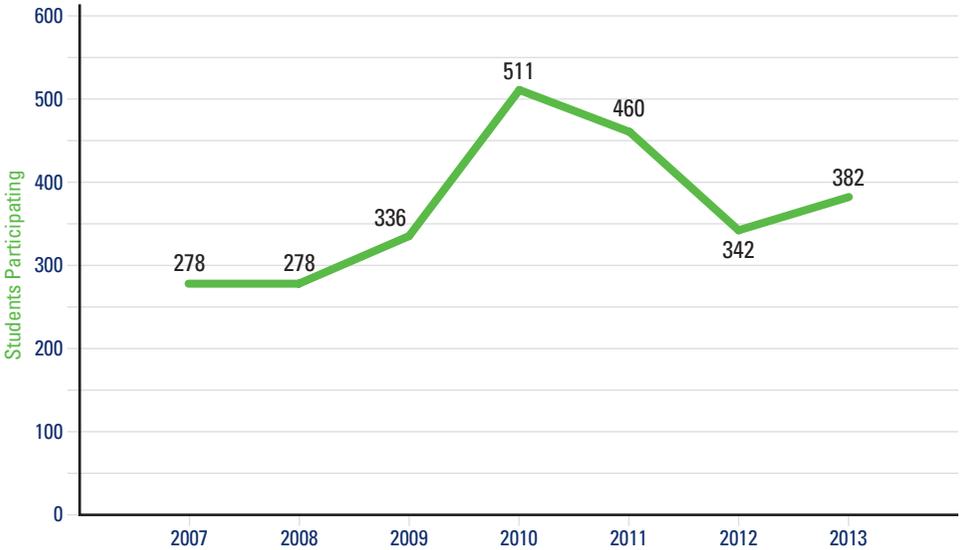
Average scholarship value: **\$2,690**

Percent of Rhode Island families meeting the Tax Credits for Contributions to Scholarship Organizations’ income requirement



## RHODE ISLAND

Following two years of declined usage since 2010, students using Rhode Island's tax-credit scholarship program grew nearly 12 percent since 2012.



As a single unemployed mother of two, Leslie, right, wants to be able to continue sending her children to Catholic school. At the beginning of the 2013 academic school year, she began paying \$11,250 to send her son, Kenneth, 14, to St. Raphael Academy in Pawtucket, adding on to the \$3,995 she pays for her daughter, Claire, 10, to attend Woodlawn Catholic Regional School, also in Pawtucket. On her annual salary, she said it's not easy. That's why she's in support of Rhode Island School Choice, an initiative that would give parents the freedom to choose a school that would best meet the needs of their children, as well as provide financial vouchers to help them along the way. "I have gotten some assistance from the Diocese of Providence for both of my children, but a large portion of it still falls on my shoulders," she told the Rhode Island Catholic at St. Raphael. "It would be good to give the choice to the parents." Photo provided by Jessica A. Botelho and The Rhode Island Catholic.



# SOUTH CAROLINA

## Educational Credit for Exceptional Needs Children

Enacted 2013 • Launched 2014 • Tax-Credit Scholarship

South Carolina allows individuals, partnerships, corporations, and similar entities to claim a 100 percent tax credit for contributions to approved Scholarship Funding Organizations (SFOs), nonprofits that provide private school scholarships. Individuals, partnerships, corporations, and similar entities can claim tax credits up to 60 percent of their tax liability; however, married couples filing separate returns may only claim half of the tax credit allowed had they filed jointly. The total amount of tax credits awarded statewide is limited to \$8 million.

### STUDENT FUNDING

The maximum scholarship amount an SFO may award is \$10,000. Scholarships may be used for tuition, transportation, textbook expenses, or any combination of these at qualifying private schools.

### STUDENT ELIGIBILITY

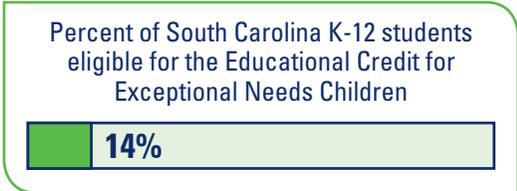
Students are eligible to receive scholarships if they have been designated by the South Carolina Department of Education as meeting the federal definition of a “child with a disability” (34 CFR 300.8). Additionally, a student’s parents must believe the assigned public school district does not sufficiently meet the student’s needs.

### FRIEDMAN FEEDBACK

South Carolina’s first school choice program is a good first step for the state’s students, but could be improved upon. For example, the program’s scholarship funding fails to take into account the actual cost of serving a particular student’s exceptional educational needs. Additionally, the \$8 million cap on credits will likely limit the number of scholarships SFOs are able to award. To improve upon this new opportunity, South Carolina needs to increase eligibility beyond students with exceptionalities and raise the limit on tax credits available to donors, similar to what its neighbor to the south, Florida, has done with its tax-credit scholarship program.

### LATEST STATS

- Students participating: **N.A.**
- Schools participating: **N.A.**
- Scholarship organizations: **N.A.**
- Average scholarship value: **N.A.**





The Barclay School, a small nonprofit, provides a nurturing community and strength-based learning to students who learn differently. Self-paced, individualized curriculum is combined with experiential learning, hands-on activities, reading and writing for real purpose, and life skills to address the social and emotional needs and the academic skills of each student. Therapy animals, classroom pets, and a garden contribute to a relaxed, positive atmosphere while providing real-life applications for many lessons. The school strives to help each child to discover his or her strengths, build self confidence, independence, and curiosity about the world, preparing them for the next step in their life journey. The Barclay School is eligible to participate in South Carolina's new school choice program and is inviting scholarship families to apply. Photo and story provided by the Barclay School.



## Carson Smith Special Needs Scholarship Program

Enacted 2005 • Launched 2005 • Voucher

Most Utah students who have disabilities are eligible to receive vouchers to attend private school. However, participation is limited by the amount of money appropriated to the \$3.75 million program fund.

### STUDENT FUNDING

Vouchers are based on the state’s weighted pupil unit, an element of its school financing formula. Students who receive more than three hours of special education services per day get vouchers worth 2.5 times the weighted pupil unit, whereas students receiving fewer than three hours per day get vouchers worth 1.5 times the weighted pupil unit. In 2013-14, those values worked out to \$6,648 and \$3,989, respectively. The voucher may not exceed the private school’s actual tuition and fees.

### STUDENT ELIGIBILITY

Public school students between ages five and 21 identified as disabled under federal disability rights law are eligible to receive vouchers, as well as students with special needs in private schools that served students with disabilities prior to participating in the program. Participation is limited by the amount of money appropriated each year, with applications subject to random lottery.

### FRIEDMAN FEEDBACK

Last year Utah’s legislature allowed for an increase in the cap on appropriations for Carson Smith vouchers to allow the program to meet demand. If the number of students in the program equals or exceeds 7 percent of the students with special needs in public school, the cap on appropriations goes up the following year. Additionally, regulations are light when compared to other states: Participating schools must provide the results of an annual assessment to parents along with the educational services, and associated costs, being offered a child, be approved by the state, and comply with health, safety, and nondiscrimination laws.

### LATEST STATS (2012-13)

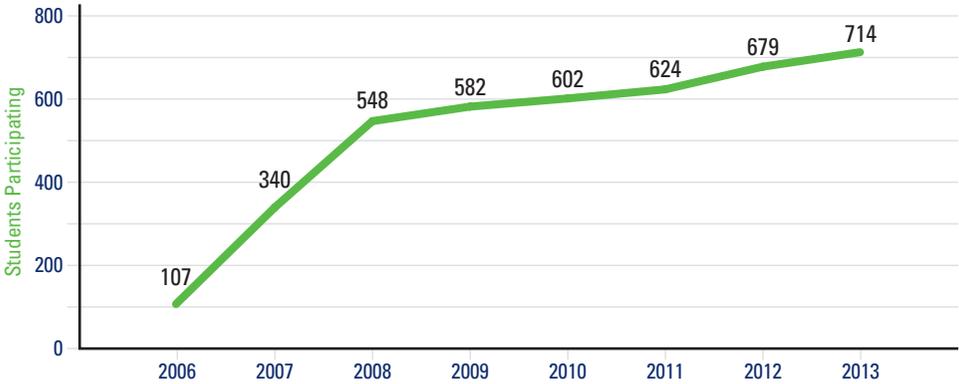
Students participating: **714**  
Schools participating: **40**  
Average voucher value: **\$4,733**

Percent of Utah K-12 students eligible for the Carson Smith Special Needs Scholarship Program



**UTAH**

Enrollment in Utah's Carson Smith Special Needs Scholarship Program has grown every year since its launch.



Keo was adopted by Kim and her husband in 2003. Keo's parents were so happy to have a boy because their three biological children were all girls. Kim and her husband noticed right away that Keo was different, but it wasn't until he was four that they learned his disability was called Reactive Attachment Disorder (RAD). Although they found a great therapist that helps children with RAD, Keo still wasn't doing well at school. Thankfully, his parents found a school, New Hope Academy, which specialized in behavior challenges. New Hope Academy has been their lifeline ever since. However, the school came at a cost they couldn't continue to afford on their own. The Carson Smith Special Needs Scholarship was "heaven sent," according to Keo's mom. "He is doing much better but has a very long way to go. We need this money to keep him at this school until he is able to transition back to a regular school. He really has a long way to go but we feel good knowing he is in the best place possible for him to learn life skills as well as get an education. We have been so blessed to find this school and then to qualify for this scholarship." Story and photo provided by Parents for Choice in Education.



# VERMONT

## Town Tuitioning Program

Launched 1869 • Voucher

Many towns in Vermont, particularly in rural areas, do not operate public high schools and/or elementary schools. Students in those towns may use public dollars to attend any public or approved independent (private), non-religious school in or outside of Vermont. The “tuitioning” towns pay tuition directly to the “receiving” schools. For 2013-14, tuition amounts equal \$11,703 for grades K-6 and \$13,084 for grades 7-12. Although most tuitioning towns allow parents to choose which schools will receive their students, some towns send all their students to one school.

### STUDENT FUNDING

When students are tuitioned at public schools, the sending town pays the receiving school district an amount equal to the receiving district’s average per-pupil costs, as calculated by the Vermont Agency of Education. When students are tuitioned at private schools, the voucher is worth up to the average announced tuition for Vermont public schools, calculated each year by the state, or the private school’s tuition (whichever is less). That figure is calculated separately for grades K-6, 7-8, and 9-12.

### STUDENT ELIGIBILITY

Students must live in Vermont and reside in an identified tuition town.

### FRIEDMAN FEEDBACK

Vermont’s town tuitioning program is very restrictive on eligibility, based on the fact students only qualify if their home district does not have a public school; only about 3 percent of the state’s student population lives in such towns. The program does far better on funding, as each student can receive more than 75 percent of the average state and local revenue per pupil. Also, the program does not place overly burdensome regulations on participating schools. Vermont’s unique school choice program should increase student eligibility beyond ZIP Code assignment.

### LATEST STATS (2013-14)

Students participating: **2,608**  
Schools participating: **100**  
Average voucher value: **\$14,055**

Percent of Vermont students able to participate in the state’s Town Tuitioning Program

**3%**

## VERMONT

Since its most recent peak in 2004, participation has declined nearly 42 percent in Vermont's Town Tuitioning Program.



Social studies teacher Natalie Pergament and fifth-grade student Victoria are pictured in a classic Mountain School at Winhall (MSW) photo. It's classic because Victoria—like so many MSW students—is smiling because she loves school. And she has good reason to: More than 70 percent of MSW teachers have a master's degree or higher; there's an average of only 10 students in an MSW class; and academic scores are 13 percent to 19 percent above the Vermont state average in reading, math, and writing (which is ranked in the top five of all states). The Mountain School is an accredited forward-thinking

prekindergarten through eighth grade independent school that follows the town academy model of northern New England. It also is the only Vermont elementary and/or middle school approved in all 12 categories of special education. MSW guarantees admission to students in the towns of Stratton and Winhall, and those towns, in turn, pay these students full tuition to attend MSW. Victoria is fortunate, thanks to school choice, to have such a wide variety of quality public and independent schools in the area that she could attend and, thanks to Vermont's voucher system, to have her entire tuition paid to attend a creative, high-achieving school that serves her and her family well. Photo and story provided by the Mountain School at Winhall.



# VIRGINIA

## Education Improvement Scholarships Tax Credits Program

Enacted 2012 • Launched 2013 • Tax-Credit Scholarship

Individual and business taxpayers in Virginia can receive tax credits worth 65 percent of their donations to scholarship granting organizations, nonprofits that provide private school scholarships. An individual must donate at least \$500 and may not donate more than \$125,000 per year. There is no limit on the size of business donations. The number of available tax credits is capped at \$25 million a year.

### STUDENT FUNDING

The total scholarship for any student cannot exceed the actual education expenses of the student or 100 percent of the per-pupil amount distributed to the local public school by the state, whichever is less.

### STUDENT ELIGIBILITY

Students must come from households where family income is less than 300 percent of the federal poverty line (\$70,650 for a family of four in 2013-14); students with special needs also are eligible and have a higher income limitation (400 percent of the federal poverty line or \$94,200 for a family of four). Students must either be enrollees in grades K-1, a public school student the previous school year, a previous scholarship recipient, or a new resident of Virginia.

### FRIEDMAN FEEDBACK

On eligibility, the overall funding cap of \$25 million limits Virginia’s scholarships to the already limited pool of qualifying students. In addition, the taxpayer must take the tax credit in the year following the one in which the donation is made. The program is limited further by the per-pupil funding, which is only 42 percent of the funding available from state and local sources to public school students. As for school regulations, the program does better as it requires participating students to take a nationally norm-referenced test (rather than just a state standardized test). For this program to grow and effectively serve students, Virginia should consider increasing the cap, the pool of eligible students, and the scholarship size.

### LATEST STATS (2013-14)

Students participating: **275**

Schools participating: **30**

Scholarship organizations: **7**

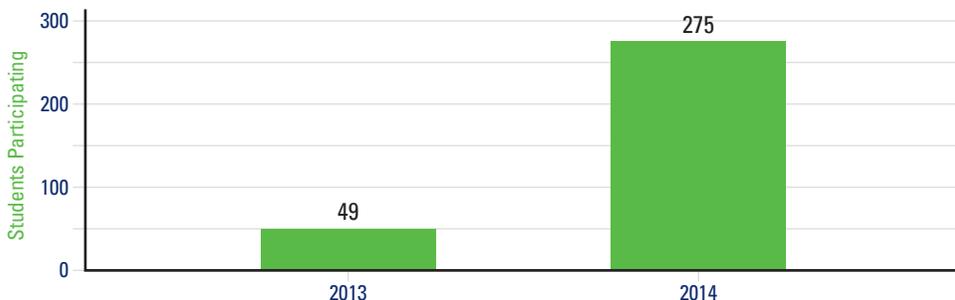
Average scholarship value: **\$2,456**

Percent of Virginia families meeting the Education Improvement Scholarships Tax Credits Program’s income requirement

**32%**

## VIRGINIA

Enrollment in Virginia's Education Improvement Scholarships Tax Credits Program increased more than four-fold in one year.



Roanoke Catholic School is a co-educational, college preparatory school composed of young men and women from varied socioeconomic and ethnic backgrounds who reflect the diversity of the greater Roanoke Valley. Established in 1889, "Roanoke Catholic School is dedicated to excellence in education and to the spiritual development of youth within the framework of the Gospel and the tradition of the Catholic Church." Roanoke Catholic School instills in its students "a lifelong commitment to learning, to Christian values, and to community service." Roanoke Catholic School is accredited by the Virginia Catholic Educational Association (VCEA) and by the Southern Association of Colleges and Schools (SACS). Virginia's tax-credit scholarship program helps increase access to such schools for low-income parents to find the education that works best for their children. Story and photo provided by Roanoke Catholic School.



## Milwaukee Parental Choice Program

Enacted 1990 • Launched 1990 • Voucher

Milwaukee families earning up to 300 percent of the federal poverty guidelines qualify to receive vouchers. Once a student receives a voucher, that student is able to keep it, regardless of his or her family’s future income. Voucher students are allowed to attend any participating private school in the state.

### STUDENT FUNDING

In 2013-14, vouchers are worth the lesser of the following for each participating student: \$6,442 or the school’s operating and debt service cost per pupil. In 2014-15, the maximum voucher amount will be \$7,210 for grades K-8 and \$7,856 for grades 9-12. Beginning in 2015-16, maximum voucher payments increase by a percentage equal to the percentage increase in general school aid to Wisconsin public schools. The voucher may not exceed the private school’s per-student costs, including operating expenses and debt service. Parents of students in grades 9-12 that have an income greater than 220 percent of the federal poverty level (\$51,810 for a family of four in 2013-14) may be charged additional tuition above the voucher amount.

### STUDENT ELIGIBILITY

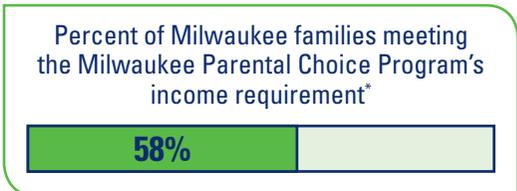
Students who live in Milwaukee and whose family income does not exceed 300 percent of the federal poverty level are eligible (\$70,650 for a family of four in 2013-14); moreover, a family’s income limit increases by \$7,000 if the student’s parents/legal guardians are married. Students who are continuing the program from previous years and those who were on a school’s waiting list in the prior year because the school did not have space available do not need to demonstrate income eligibility.

### FRIEDMAN FEEDBACK

The Milwaukee Parental Choice Program’s income limits cover more than 58 percent of all Milwaukee families, earning strong marks on eligibility. However, the maximum voucher of \$6,442 per pupil is only slightly more than half of what Milwaukee public school pupils get. Additionally, the program’s regulations are somewhat extensive. Voucher students must be allowed to opt out of religious programs. Also, participating private schools must submit to mandatory academic standards, specific hours of yearly instruction, and must admit students on a random basis and allow all applicants to enroll if they have capacity. Accountability provisions also require that state tests be used. The Milwaukee Parental Choice Program could improve in each area: Increase eligibility, raise voucher sizes closer to public school students’ levels, and lower regulations on participating schools.

### LATEST STATS (2013-14)

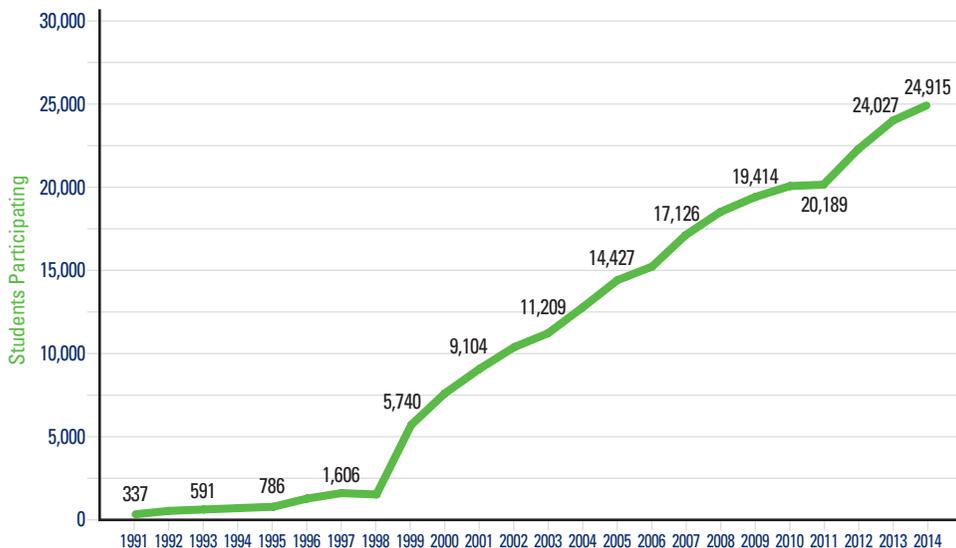
Students participating: **24,915**  
Schools participating: **110**  
Maximum voucher value: **\$6,442**



\*Assumes parents/legal guardians are not married

## WISCONSIN

Enrollment in Wisconsin's Milwaukee Parental Choice Program is up nearly 4 percent since 2013.



Jaden attends Our Lady of Grace Academy through Wisconsin's Parental Private School Choice Program in Racine, along with his other siblings (featured on page 99). "To have all of them in one spot," Tamesha, Jaden's mom, said, "it's incredible." Tamesha is the lead teacher for the three-year-old classroom at the Next Door Foundation in Milwaukee and learned about the voucher program from coworkers. "I was a little apprehensive at first," she said. "You hear a lot of misconceptions about private schools. I didn't know how the kids would perceive it or how they would be received. But I have been watching the drop in the high school graduation rate, and that pushed me to step out and try something new. I'm glad I did. It has been nothing but good experiences." Story and photo provided by School Choice Wisconsin.



## Parental Private School Choice Program (Racine)

Enacted 2011 • Launched 2011 • Voucher

Wisconsin’s Parental Private School Choice Program (Racine) is open to any income-qualified child who attended Racine Unified Public Schools in the prior year or any current or entering private school student in kindergarten or first grade and kindergarten schools that specifically serve only four- and five-year-old students. Entering private school ninth-graders also are eligible.

### STUDENT FUNDING

In 2013-14, vouchers are worth the lesser of the following for each participating student: \$6,442 or the school’s operating and debt service cost per pupil. In 2014-15, the maximum amount will be \$7,210 for grades K-8 and \$7,856 for grades 9-12. Beginning in 2015-16, maximum voucher payments increase by a percentage equal to the percentage increase in general school aid to Wisconsin public schools. Parents of students in grades 9-12 that have an income greater than 220 percent of the federal poverty level (\$51,810 for a family of four in 2013-14) may be charged additional tuition above the voucher amount.

### STUDENT ELIGIBILITY

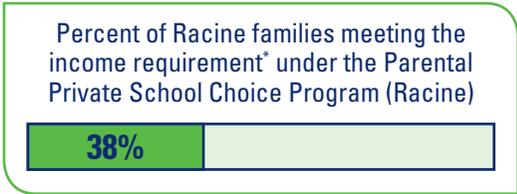
Students from families with household incomes up to 300 percent of the federal poverty level (\$70,650 for a family of four in 2013-14) are eligible for vouchers; moreover, a family’s income limit eligibility increases by \$7,000 if the student’s parents or legal guardians are married. Students who are continuing the program from previous years and those who were on a school’s waiting list in the prior year because the school did not have space available do not need to demonstrate income eligibility. Students must have been either (1) enrolled in a public school in the previous year, (2) not enrolled in school in the previous year, (3) enrolled in a private school under the voucher program in the previous year, or (4) be entering kindergarten, first grade, or ninth grade. If an applying student has a sibling already in the private school the applicant wishes to attend, he or she will receive preference in the voucher lottery.

### FRIEDMAN FEEDBACK

Eligibility in Racine’s school voucher program is relatively restrictive. On regulations, the program also has room for growth: Schools must adopt academic standards (which cannot include mandatory religion classes), provide specific yearly hours of instruction, hire teachers with college degrees, admit voucher students randomly, and meet accountability requirements. With the program’s enrollment cap now removed, Wisconsin also should consider removing the arbitrary income limits placed on families and the regulations imposed on schools.

### LATEST STATS (2013-14)

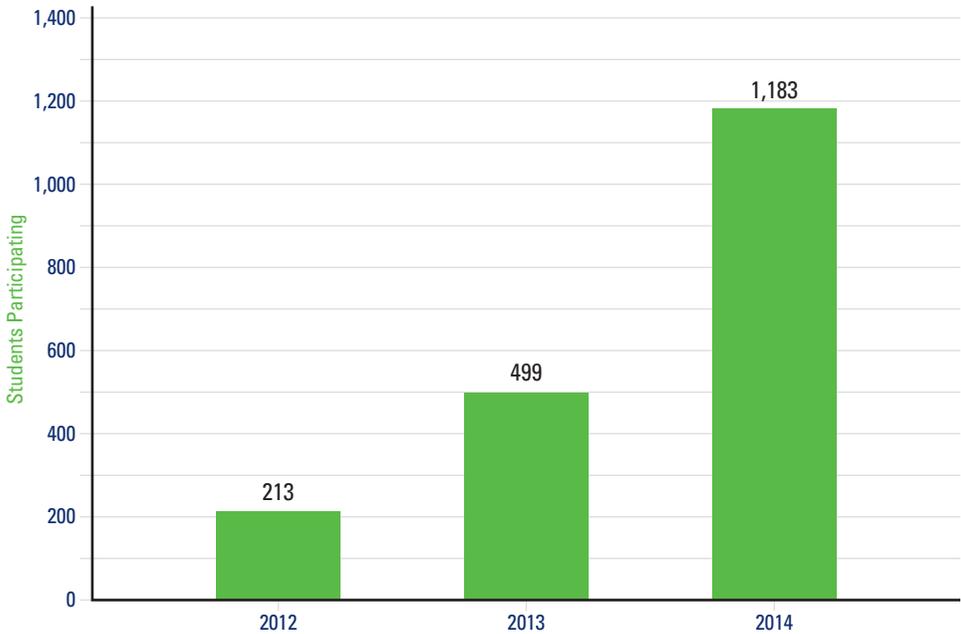
Students participating: **1,183**  
Schools participating: **13**  
Average voucher value: **\$6,442**



\*Assumes parents/legal guardians are not married

## WISCONSIN

Enrollment has more than doubled in each year of Racine's Parental Private School Choice Program.



Tamesha, middle, has noticed a tremendous desire to learn among her five children who attend Our Lady of Grace Academy through Racine's Parental Private School Choice Program. "They are more excited about going to school," Tamesha said. Rayne, right, is in kindergarten, and Alani, left, is in first grade. Malaki, back left, is in second grade and always gets right down to work. Meshawn, back, is more slowly making the adjustment to a new school, but Tamesha notices something else. "They are different in the way they behave. They are respectful when they talk with grownups. They are happy." Photo and story provided by School Choice Wisconsin.



## Parental Choice Program (Statewide)

Enacted 2013 • Launched 2013 • Voucher

Wisconsin’s statewide Parental Choice Program is open to any income-qualified child who resides outside of the attendance zones for Milwaukee Public Schools and the Racine Unified School District. The program is capped at 500 students in its first year.

### STUDENT FUNDING

In 2013-14, vouchers are worth the lesser of the following for each participating student: \$6,442 or the school’s operating and debt service cost per pupil. In 2014-15, the maximum voucher amount will be \$7,210 for grades K-8 and \$7,856 for grades 9-12. Beginning in 2015-16, maximum voucher payments increase by a percentage equal to the percentage increase in general school aid to Wisconsin public schools. The voucher may not exceed the private school’s per-student costs, including operating expenses and debt service.

### STUDENT ELIGIBILITY

In 2013-14, Wisconsin families who qualify for free and reduced-price lunch and reside outside of either the Milwaukee Public Schools or the Racine Unified School District are eligible. Students must also come from families with incomes up to 185 percent of the federal poverty level (\$43,568 for a family of four in 2013-14); moreover, a family’s income limit increases by \$7,000 if the student’s parents/legal guardians are married. In the program’s first year, participation is limited to 500 students statewide; if more than 500 students apply to participate in the program, only the 25 schools with the most applicants may participate. In the following years, participation will be limited to 1,000 students. Each district will have an enrollment cap of 1 percent of its public school district enrollment, and private schools must have been in operation on May 1, 2013 to participate.

### FRIEDMAN FEEDBACK

Wisconsin took an encouraging step toward universal school choice by allowing students outside two school districts to participate. However, by limiting the number of vouchers awarded to only 500 of the state’s more than 870,000 students, the positive effects of educational choice will be limited. Additionally, like the Milwaukee and Racine programs, the program could be improved by increasing voucher amounts and removing income tests for eligibility.

### LATEST STATS (2013-14)

Students participating: **500**  
Schools participating: **25**  
Average voucher value: **\$6,442**

Percent of Wisconsin families\* meeting the income requirement† under the Parental Choice Program (Statewide)



\*Does not include families living in Milwaukee or Racine  
†Assumes parents/legal guardians are not married



Racine's Parental Private School Choice Program (page 99) was a dream come true for Gabriela's family, which struggles economically and could never afford to pay private school tuition. More than anything, she had hoped her daughter, Alexandra, could be in a small and spiritually nurturing environment. After meeting with the principal of Shoreland Lutheran High School, Gabriela knew that was the right school. Alexandra said she is comfortable in her new school, that everything is very hard, but that all of her teachers are understanding and helpful. Story and photo provided by School Choice Wisconsin.



## K-12 Private School Tuition Deduction

Enacted 2013 • Launched 2014 • Individual Tax Deduction

Wisconsin provides an income tax deduction for individuals who pay private school tuition for their dependents.

### TAX DEDUCTION VALUE

The tax deduction is worth up to \$4,000 per child in grades K-8 and up to \$10,000 per child in grades 9-12.

### STUDENT ELIGIBILITY

Any Wisconsin taxpayer is eligible.

### FRIEDMAN FEEDBACK

Wisconsin's tax deduction for private school tuition receives high marks for eligibility, as any taxpayer in the state may claim the deduction. Additionally, the amounts that may be deducted are set at levels higher than other states' deduction programs. However, income tax deductions effectively cover only a small portion of the actual cost of educating a student and help only those families that are already paying private school tuition and have state income tax liability.

### LATEST STATS

Taxpayers participating: **N.A.**

Average tax deduction value: **N.A.**

All Wisconsin taxpayers with K-12 children are eligible for the K-12 Private School Tuition Deduction

**100%**



Cayden is in first grade at St. John's Lutheran School on Racine's north side. His mom and dad, Nina and Jeff, have seen a new boy emerge in Cayden, ever since he became a student at St. John's through the state's voucher program.

When Cayden was three and enrolled in Racine Unified School District's preschool program at Red Apple School, his experience was great. The staff was supportive and Cayden was happily learning. Nina and Jeff never anticipated the jolt that came two years later with Cayden's entrance into kindergarten at a Racine public school. "Things started out okay," Nina said. "There was a classroom assistant who was a wonderful help. I had good communication with her, but very limited communication with Cayden's teacher.

"He started acting differently. He was always coming home with reports that he was not cooperating with the class," she said. "Cayden does sometimes display tendencies associated with Asperger Syndrome or autism. But he is easily redirected." Nina and Jeff then sought help. They asked the teacher whether Cayden should be tested and perhaps have an Individualized Education Plan in place. "But the school didn't want to do any IEPs, and the teacher said the whole class exhibited these same behaviors we saw coming out of Cayden," Nina said.

After three months of frustration, Nina and Jeff decided to pull Cayden out of his public school and switch him to St. John's. But keeping Cayden at the school would have been very difficult without the opportunity to apply for the Parental Private School Choice Program, in its third year in Racine (page 99). Jeff is now unemployed and enrolled in a job boot camp for industrial machine repair through the Racine County Workforce Development Center. Both parents hope the program will lead to more security for their family of four.

Racine's vouchers have given Cayden a new outlook and success in school. "He never wants to leave here," Nina said. "He has built a relationship with everybody, with every staff member. It's all so positive. He loves school." Story and photo provided by School Choice Wisconsin.

# RULES & REGULATIONS

STATE	VOUCHERS	INCOME LIMIT
CO	Choice Scholarship Pilot Program	None
DC	Opportunity Scholarship Program	100% x FRL
FL	John M. McKay Scholarships for Students with Disabilities Program*	None
GA	Georgia Special Needs Scholarship Program*	None
IN	Choice Scholarship Program	150% x FRL
LA	Louisiana Scholarship Program <sup>†</sup>	250% x Poverty
LA	School Choice Pilot Program for Certain Students with Exceptionalities*	None
ME	Town Tuitioning Program	None
MS	Mississippi Dyslexia Therapy Scholarship for Students with Dyslexia Program*	None
MS	Nate Rogers Scholarship for Students with Disabilities Program*	None
NC	Opportunity Scholarships	100% x FRL
NC	Special Education Scholarship Grants for Children with Disabilities*	None
OH	Cleveland Scholarship & Tutoring Program	None <sup>‡</sup>
OH	Autism Scholarship Program*	None
OH	Educational Choice Scholarship Program <sup>†</sup>	None
OH	Jon Peterson Special Needs Scholarship Program*	None
OH	Income-Based Scholarship Program	400% x Poverty
OK	Lindsey Nicole Henry Scholarships for Students with Disabilities*	None
UT	Carson Smith Special Needs Scholarship Program*	None
VT	Town Tuitioning Program	None
WI	Milwaukee Parental Choice Program	300% x Poverty
WI	Parental Private School Choice Program (Racine)	300% x Poverty
WI	Parental Choice Program (Statewide)	185% x Poverty

\* Limited to students with special needs

<sup>†</sup> Limited to students in low-performing schools

<sup>‡</sup> Priority given to families up to 200% x Poverty

§ Limited to children of active military members

# Limited to students in foster care

FRL = Federal free and reduced-price lunch program

STATE	EDUCATION SAVINGS ACCOUNTS	INCOME LIMIT
AZ	Empowerment Scholarship Accounts* <sup>‡§#</sup>	None

PRIOR YEAR PUBLIC SCHOOL REQUIREMENT	ENROLLMENT CAP	VOUCHER CAP	TESTING MANDATES
Yes	500	\$4,575	National
None	None	\$8,256 (K-8) / \$12,385 (9-12)	National
Yes	None	Conditional	None
Yes	None	Conditional	None
Conditional	None	Conditional	State
Conditional	None	None	State
None	None	Conditional	None
None	None	\$7,347 (K-8) /\$9,317 (9-12)	Conditional-State
Conditional	None	\$5,104	None
Conditional	None	\$5,104	None
None	None	\$4,200	National
Conditional	None	\$3,000 per semester	National
None	None	\$4,250 (K-8) /\$5,700 (9-12)	State
None	None	\$20,000	None
Conditional	60,000	\$4,250 (K-8) / \$5,000 (9-12)	State
Yes	None	\$20,000	None
None	Conditional	\$4,250	State
Yes	None	Conditional	None
None	None	Conditional	Yes
None	None	Conditional	None
None	None	\$6,442	National
None	None	\$6,442	National
None	500 (2013-14)	\$6,442	National

PRIOR YEAR PUBLIC SCHOOL REQUIREMENT	ENROLLMENT CAP	ACCOUNT CAP	TESTING MANDATES
Yes	None	90% charter funding	None

# RULES & REGULATIONS

STATE	TAX-CREDIT SCHOLARSHIPS	INCOME LIMIT	PRIOR YEAR PUBLIC SCHOOL REQUIREMENT	ENROLLMENT CAP
AL	Tax Credits for Contributions to SGOs	150% x Median Household Income & 200% Poverty	Conditional	None
AZ	Original Individual Income Tax Credit Scholarships	None	None	None
AZ	Low-Income Corporate Income Tax Credit Scholarships	185% x FRL	Yes	None
AZ	Lexie's Law**	None	Yes	None
AZ	"Switcher" Individual Income Tax Credit Scholarships	None	Yes	None
FL	Florida Tax Credit Scholarship Program	100% x FRL	Conditional	None
GA	Qualified Education Expense Tax Credit	None	Yes	None
IN	School Scholarship Tax Credit	200% x FRL	None	None
IA	School Tuition Organization Tax Credit	300% x Poverty	None	None
LA	Tuition Donation Rebate Program	250% x Poverty	Yes	None
NH	Education Tax Credit Program	300% x Poverty	Yes	None
OK	Oklahoma Equal Opportunity Education Scholarships	300% x FRL	None	None
PA	Educational Improvement Tax Credit Program	\$75,000 + \$15,000/child	None	None
PA	Opportunity Scholarship Tax Credit Program†	\$75,000 + \$15,000/child	None	None
RI	Tax Credits for Contributions to Scholarship Organizations	250% x Poverty	None	None
SC	Educational Credit for Exceptional Needs Children*	None	None	None
VA	Education Improvement Scholarships Tax Credits Program	300% x Poverty	Conditional	None

\* Limited to students with special needs

† Limited to students in low-performing schools

‡ Priority given to families up to 200% x Poverty

§ Limited to children of active military members

# Limited to students in foster care

FRL = Federal free and reduced-price lunch program

STATE	INDIVIDUAL TAX CREDITS / DEDUCTIONS	INCOME LIMIT
AL	Alabama Accountability Act of 2013 Parent-Taxpayer Refundable Tax Credits†	None
IL	Tax Credits for Educational Expenses	None
IN	Private School/Homeschool Deduction	None
IA	Tuition and Textbook Tax Credit	None
LA	Elementary and Secondary School Tuition Deduction	None
MN	Education Deduction	None
MN	K-12 Education Credit	\$37,500
WI	K-12 Private School Tuition Deduction	None

SCHOLARSHIP CAP	TESTING MANDATES	CREDIT VALUE	TOTAL CREDIT CAP	BUDGET CAP
Full Tuition	State or National	\$7,500 (individual) / 100% (business)	Yes	\$25 million
None	None	100%	Yes	None
\$4,900 (K-8) / \$6,200 (9-12)	National	100%	None	\$35.8 million (escalator)
90% State Funding	None	100%	None	\$5 million
None	None	100%	Yes	None
\$4,880	National	100%	Yes	\$286.25 million (escalator)
\$9,046 (2013)	None	100%	Yes	\$58 million
Full Tuition	National	50%	None	\$7.5 million
Full Tuition	None	65%	None	\$8.75 million
Conditional	State	100% (rebate)	None	None
\$2,500 / \$4,375 (special needs) / \$625 (homeschool)	None	100%	None	\$5.1 million
Conditional	None	50%	Yes	\$3.5 million
Full Tuition	None	75% / 90%	Yes	\$60 million
\$8,500 / \$15,000 (special needs)	None	75% / 90%	Yes	\$50 million
None	None	75% / 90%	Yes	\$1.5 million
\$10,000	State or National	100%	Yes	\$8 million
Conditional	National	65%	Yes (individual) / None (business)	\$25 million

PRIOR YEAR PUBLIC SCHOOL REQUIREMENT	ENROLLMENT CAP	INDIVIDUAL CREDIT / DEDUCTION CAP	TESTING MANDATES
Yes	None	\$3,563	State or National
None	None	\$500	None
None	None	\$1,000	None
None	None	\$250	None
None	None	\$5,000	None
None	None	\$1,625 (K-6) / \$2,500 (7-12)	None
None	None	\$1,000	None
None	None	\$4,000 (K-8) / \$10,000 (9-12)	None

# LEGAL HISTORY

The U.S. Supreme Court has declared vouchers and tax-credit scholarships constitutional (Zelman 2002, Winn 2011). However, those rulings have not deterred legal challenges to school choice in state courts.

## **Alabama | Alabama Accountability Act of 2013 Parent-Taxpayer Refundable Tax Credits and Tax Credits for Contributions to Scholarship Granting Organizations**

The Alabama Education Association (AEA) filed a lawsuit in state court claiming the refundable tax credit and tax-credit scholarship programs violate the state constitution's provision regarding public funds being used for charitable and religious institutions. The lawsuit also invokes several provisions of the state constitution governing the procedures by which legislation is enacted and programs are funded. In October 2013, a Montgomery judge granted a motion to allow parents from Montgomery and Mobile to intervene as defendants in the lawsuit. The parents are represented by the Institute for Justice, a public-interest law firm that defends civil liberties. The Institute for Justice and the Alabama's attorney general are both seeking dismissal of the lawsuit. The AEA plaintiffs moved for a motion for judgment on the pleadings asking the court to grant judgment in their favor now as to all of their claims that don't concern the means by which state dollars flow to religious schools. The hearing on all the motions in the state case will be as early as mid-January 2014.

The Southern Poverty Law Center (SPLC) also filed a lawsuit in federal court claiming the school choice programs violate equal protection. Alabama's attorney general is seeking dismissal of the lawsuit.

## **Arizona | Original Individual Income Tax Credit Scholarship Program**

April 4, 2011, the U.S. Supreme Court upheld Arizona's personal tax-credit scholarships, ruling that taxpayers do not have standing under the Establishment Clause to challenge a tax-credit scholarship program. The Court rejected opponents' position that personal income is government property, stating, "Respondents' contrary position assumes that income should be treated as if it were government property even if it has not come into the tax collector's hands. That premise finds no basis in standing jurisprudence. Private bank accounts cannot be equated with the Arizona State Treasury." *Arizona Christian Sch. Tuition Org. v. Winn*, 131 S. Ct. 1436, 179 L. Ed. 2d 523 (2011).

## **Arizona | Low-Income Corporate Income Tax Credit Scholarship Program**

March 12, 2009, the Arizona Court of Appeals upheld Arizona's corporate tax-credit scholarships and the Arizona Supreme Court refused to hear an appeal. *Green v. Garriott*, 212 P.3d 96 (Ariz. App. 2009).

## **Arizona | Empowerment Scholarship Accounts**

September 26, 2011, the Arizona School Boards Association, Arizona Education Association, and Arizona Association of School Business Officials sued in state court to block the Empowerment Scholarship Accounts (ESA). In *Niehaus v. Huppenthal* (CV2011-017911), the Superior Court of Arizona, Maricopa County, found this program to be constitutional; however, the plaintiffs appealed to Arizona's intermediate appellate court. On October 1, 2013, the Court of Appeals of Arizona affirmed a district court decision and ruled the ESA program does not violate the state's constitution. In its ruling, the Court emphasized that ESA funds are directed "solely upon how parents choose to educate their children." The challengers have filed an appeal of the appellate court ruling with the Arizona Supreme Court. *Niehaus v. Huppenthal*, No. 1 CA-CV 12-0242.

## **Colorado | Douglas County Choice Scholarship Pilot Program**

In 2011, Douglas County's voucher program was challenged in state court and then enjoined. On February 28, 2013, the Colorado Court of Appeals ruled the voucher program does not violate any provisions of the state constitution, reversing a lower court ruling. Opponents of the program filed an appeal of the ruling with the Colorado Supreme Court. The program remains on hold until the legal dispute is resolved. *LaRue v. Douglas Co. Sch. Dist.*, Nos. 11CA1856 & 11CA1857, 2013 COA 20 (Colo. Ct. App., Feb. 28, 2013).

## Illinois | Tax Credits for Educational Expenses

In 1999, the Illinois Federation of Teachers, Illinois Education Association, and the People for the American Way brought two lawsuits in state court arguing the program violated the First Amendment of the U.S. Constitution and religion clauses of the Illinois Constitution. Illinois appellate courts upheld the programs and the Illinois Supreme Court refused to grant appeals. *Toney v. Bower*, 744 N.E.2d 351 (Ill. App. 4th Dist. 2001), appeal denied, 195 N.E.2d 573 (Ill. 2001); *Griffith v. Bower*, 747 N.E.2d 423 (Ill. App. 5th Dist. 2001), appeal denied, 755 N.E.2d 477 (Ill. 2001).

## Indiana | Choice Scholarship Program

July 1, 2011, teachers' union officials and others challenged Indiana's voucher program in state court, alleging the Indiana Constitution prohibits funding of religious schools. A Marion County Superior Court judge denied a motion for preliminary injunction. The trial court issued a summary judgment January 13, 2012, in favor of the program. After an appeal was issued, the Indiana Supreme Court heard oral arguments on the program November 21, 2012. On March 26, 2013, the Indiana Supreme Court ruled unanimously that the Choice Scholarship Program does not violate any provision of the state constitution. *Meredith v. Pence*, Indiana Supreme Court, No. 49S00-1203-PL-172.

## Louisiana | Louisiana Scholarship Program

Teachers' unions and others filed suit to stop Louisiana's school voucher program from expanding statewide. In July, District Judge Tim Kelley ruled that he did not have jurisdiction to stop the program, as requested by its opponents; that was upheld by the 1st Circuit Court of Appeal in Baton Rouge. In August, the Louisiana Supreme Court denied without opinion the efforts to halt the program. On November 30, the 19th Judicial District Court in Baton Rouge ruled the program violated the state's funding formula. Voucher supporters appealed the program to the state's Supreme Court, during which students remained in the program. In a separate suit filed by voucher opponents, U.S. District Judge Ivan Lemelle issued an injunction on November 26, prohibiting the voucher program from being implemented in Tangipahoa Parish. The state's Superintendent of Education, John White, appealed that ruling. On May 7, 2013, the Louisiana Supreme Court ruled that the state constitution's Minimum Foundation Program public education funding cannot be used to pay tuition costs at nonpublic schools. The Court declined to rule whether a voucher program funded through other means would be constitutional. In June 2013, Gov. Bobby Jindal and the state legislature passed a budget that would fund the nearly 8,000 students approved for vouchers in the 2013-14 school year. *Louisiana Federation of Teachers, et al. v. State of Louisiana, et al.*, Case No. 2013-CA-0120.

## Maine | Town Tuitioning Program

In 1981, the Maine legislature banned religious schools from participating in the Town Tuitioning Program that was first established in 1873. In 1999, the Maine Supreme Judicial Court upheld the exclusion of religious schools. The U.S. Supreme Court declined to review. After the 2002 U.S. Supreme Court decision upholding the constitutionality of vouchers in *Cleveland*, the Institute for Justice and Maine families again asked a Maine court to overturn the 1981 law, but the exclusion of religious options was upheld. *Anderson v. Town of Durham*, 895 A.2d 944 (Me. 2006).

## Minnesota | Education Deduction

In 1983, the U.S. Supreme Court ruled in favor of the tax deduction program in *Mueller v. Allen*, 463 U.S. 388, 103 S. Ct. 3062, 77 L. Ed. 2d 721, 1983 U.S. 96.

## New Hampshire | Education Tax Credit Program

On June 17, 2013, the Strafford County Superior Court ruled New Hampshire's tax-credit scholarship program unconstitutional under the state constitution's "No-Aid Clause" because it allowed scholarship funds to be given to students attending religious schools. The judge's ruling did not completely strike down the program, however, ruling that the tax-credit scholarships could still be used by students to pay tuition at secular nonpublic schools and out-of-district public schools, or to pay homeschooling costs. The decision is expected to be appealed to the New Hampshire Supreme Court. *Duncan v. State of New Hampshire*, Strafford County Superior Court, Docket No. 219-2012-CV-00121.

# LEGAL HISTORY (continued)

## North Carolina | Opportunity Scholarships

In December 2013, the North Carolina Association of Educators (NCAE) and the North Carolina Justice Center filed suit to challenge the constitutionality of the Opportunity Scholarships program under the state constitution. The NCAE has argued that the constitution requires all money spent on education must be spent in the state's public schools. They further argue that because private schools are not regulated like public schools, the state is not spending money for a "public purpose" when it awards vouchers. The state has not yet responded to the lawsuit and a hearing date has not been set.

## Ohio | Cleveland Scholarship & Tutoring Program

On June 27, 2002, the U.S. Supreme Court ruled that the Cleveland school voucher program does not violate the First Amendment of the U.S. Constitution; that vouchers are constitutional when parents have independent, private choice of schools without favoring or disfavoring religion. By design, the voucher program is "school neutral." *Zelman v. Simmons-Harris*, 536 U.S. 639 (2002).

## Oklahoma | Lindsey Nicole Henry Scholarships for Students with Disabilities

On November 20, 2012, the Supreme Court of Oklahoma dismissed the Jenks Public Schools system's lawsuit against parents using Lindsey Nicole Henry Scholarships on procedural grounds, stating the school districts do not have standing as Oklahoma taxpayers to sue under the state's constitution. *Ind. Sch. Dist. No. 5 of Tulsa Co. v. Spry*, 2012 OK 98, 292 P.3d 19 (2012).

In October 2013, 12 plaintiffs renewed the legal challenge by suing the state as individual taxpayers. No action has been taken by the Oklahoma courts to date. Complaint, *Okla. Co. Dist. Ct., CV 2013-2072* (Oct. 1, 2013).

## Vermont | Town Tuitioning Program

In 1961, Vermont's Supreme Court ruled that including religious schools in the Town Tuitioning Program first established in 1869 violated the First Amendment. In 1994, the Vermont Supreme Court overturned this decision, but the Vermont Department of Education refused to allow parents to choose religious schools. In 1999, the Vermont Supreme Court again barred religious schools from participating, this time under the state constitution. *Chittenden Town School Dist. v. Dept. of Education*, (97-275); 169 Vt. 310; 738 A.2d 539.

## Wisconsin | Milwaukee Parental Choice Program

In June 2011, the ACLU filed a complaint with the U.S. Department of Justice's Civil Rights Division, alleging that the Milwaukee voucher program violates federal laws prohibiting discrimination against students with disabilities. In 1998, the Wisconsin Supreme Court held that the Milwaukee voucher program does not violate either the state's Compelled Support Clause or Blaine Amendment. The court also affirmed the conclusions of *Davis* (1992), an earlier uniformity challenge to the school choice program. *Jackson v. Benson*, 218 Wis. 2d 835, 578 N.W.2d 602 (1998), cert. denied, 525 U.S. 967 (1998).

Additional information on school choice legal developments is available at the Institute for Justice, [ij.org/SchoolChoice](http://ij.org/SchoolChoice).

# DATA SOURCES FOR PROGRAM PROFILES

AZ: Arizona Department of Revenue; Aiden Fleming and Karla Escobar, Arizona Department of Education; Jonathan Butcher, Goldwater Institute; D.C.: DC Children and Youth Investment Trust Corporation; FL: Florida Department of Education; GA: Georgia Department of Education; Georgia Department of Revenue; IL: FOIA response from Angie Hamilton, Illinois Department of Revenue; IN: Public Records Request response from Office of Legal Affairs, Indiana Department of Education; Paul Leiter, Indiana Department of Revenue; IA: Iowa Department of Revenue; Jim McNulty, Iowa Department of Revenue; LA: Jill Zimmerman and Lauren Perry, Louisiana Department of Education; Ian Cruise, Louisiana Department of Revenue; ME: Rick Bergeron, Maine Department of Education; MN: Mike Reinartz, Minnesota Department of Revenue; MS: Public Records Request response from Office of Reporting, Mississippi Department of Education; NH: Kate Baker, Network for Educational Opportunity; NC: Trevor Johnson, North Carolina Department of Education; OH: David Hansen, Ohio Department of Education; OK: Barney Semtner, Catholic Schools Opportunity Scholarship Fund; Elizabeth Vereecke, GO for Catholic Schools; Open Records Act Request response from Cheryl Hassell, Oklahoma Department of Education; PA: Jim O'Donnell, Pennsylvania Department of Community and Economic Development; RI: Rhode Island Department of Revenue; UT: Barbara Bickmore, Utah State Office of Education; VA: Todd Gathje, Virginia Department of Education; Chris Braunlich, Thomas Jefferson Institute for Public Policy; VT: FOIA response from Aaron Brodeur, Vermont Agency of Education; WI: Wisconsin Department of Public Instruction

## METHODOLOGY & DATA SOURCES FOR ELIGIBILITY

Because many programs have income limits and it is extremely difficult, if not impossible in most states/districts, to find data on student populations broken down by family income bracket, we decided it was best to measure eligibility for the applicable programs using families instead of students. For the various populations of total students, homeschool students were not included, as this information is typically unavailable. Eligibility percentages are based on the eligible population(s) in a program's stated jurisdiction.

Eligibility based on family income was generally calculated as follows: Determined average family size for the pertinent state/district using 2012 American Community Survey (ACS), table DP02 via American FactFinder. Determined income limit based on average family size and program income limits using the USDA's income eligibility guidelines for poverty and the free and reduced-price lunch program posted online via Federal Register 78, no. 61 (Spring 2013), p. 19179. Determined total families eligible by summing the number of families in the income brackets below the income bracket with the income limit using 2012 ACS, table B19101 via American FactFinder. Divided total families eligible by total families, also found on 2012 ACS, table B19101, to find a rough estimate.

Eligibility based on students was generally calculated as follows: Found the number of applicable students in public schools in a state/district using Common Core of Data (CCD), "Public Elementary/Secondary School Universe Survey," 2010-11 v.2a via EISI tableGenerator. Found the number of applicable students in private schools in a state/district using PSS Private School Universe Survey data for the 2011-12 school year and added this to number of public school students to get total students. Added number of public school students to number of students participating in the program to get total students eligible. (Note: This step differed the most among programs, depending on whether or not the program was limited to students with special needs, low-performing schools, in foster care, and/or children of active-duty military members.) Divided total students eligible by total students to find a rough estimate.

Whenever possible, the abovementioned sources were used. Other sources include:

AL: "Failing Schools Lists" and "Public Data Report: Enrollment by Ethnicity and Gender (School Level)" via ALSDE.edu; AZ: "10/1 Child County by Disability" via AZED.gov; Jonathan Butcher, Goldwater Institute; FL: Children's Bureau, "FY2003-FY2012 Foster Care: Entries, Exits, and In Care on the Last Day of Each Federal Fiscal Year"; LA: "School Performance Scores" and "Multi-Stats (Elem-Sec by Site) - Public" via LouisianaBelieves.com; MS: Historical State-Level IDEA Data Files, "Part B Child Count" via TA&D Network; OH: Historical State-Level IDEA Data Files, "Part B Child Count" via TA&D Network; "EdChoice Scholarship Program: List of Designated Schools and "Current Year Data: Fall Enrollment (Headcount)" via education.Ohio.gov; 2012 ACS, tables B05009 and B01001; PA: "List of Low Achieving Schools" and "Enrollment Public Schools" via portal.state.pa.us

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# Commitment to Methods & Transparency

The Friedman Foundation for Educational Choice is committed to research that adheres to high scientific standards, and matters of methodology and transparency are taken seriously at all levels of our organization. We are dedicated to providing high-quality information in a transparent and efficient manner.

All individuals have opinions, and many organizations (like our own) have specific missions or philosophical orientations. Scientific methods, if used correctly and followed closely in well-designed studies, should neutralize those opinions and orientations. Research rules and methods minimize bias. We believe rigorous procedural rules of science prevent a researcher's motives, and an organization's particular orientation, from pre-determining results.

If research adheres to proper scientific and methodological standards, its findings can be relied upon no matter who has conducted it. If rules and methods are neither specified nor followed, then the biases of the researcher or an organization may become relevant, because a lack of rigor opens the door for those biases to affect the results.

The Friedman Foundation for Educational Choice welcomes any and all questions related to methods and findings.

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