

FRIEDMAN FOUNDATION
— FOR EDUCATIONAL CHOICE —



Rising
Tide

2012 ABCs of
SCHOOL CHOICE

About the Friedman Foundation for Educational Choice

The Friedman Foundation for Educational Choice is a 501(c)(3) 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 continues to promote school choice as the most effective and equitable way to improve the quality of K–12 education in America. The Foundation is dedicated to research, education, and outreach on the vital issues and implications related to choice in K–12 education.

The 2012 ABCs of School Choice *Publication Team*

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Introduction

“The best is yet to come as competition and the market work their wonders.”

—Milton Friedman, 1998

Milton and Rose D. Friedman envisioned a true revolution in American education. Their ideal was simple but powerful: give every parent the power and freedom to choose their children’s education.

Unquestionably, 2011 was a breakthrough year in the quest to see that vision achieved in the United States. Thirteen states enacted school choice programs (this includes Washington, D.C., and Douglas County, Colorado). A total of 19 programs were enacted or improved—including the creation of eight new programs and the expansion of 11 existing ones.

It’s undeniable—the tide of educational choice is rising. Throughout the nation, parents are demanding options. Reformers are fighting tirelessly to achieve that goal. And state leaders are working boldly to enact it. We at the Friedman Foundation are confident the successes of this year have created a surge of momentum that will sweep across other states in the months and years to come. Americans have more opportunities than ever before to witness the benefits of educational choice in action, and as they begin to see and experience the advantages it provides—to students in choice programs, to families and communities, and to traditional public schools—the demand for effective options will only grow.

This rising tide of reform did not happen overnight. It has been steadily building, buoyed by the wholehearted, tenacious commitment of thousands of parents, students, teachers, scholars, and other reformers throughout the nation who are committed to the vision Milton and Rose laid out years ago.

The year 2012 will mark the 100th anniversary of Milton Friedman’s birth. Although the progress of recent months would please him greatly, it would not have surprised him. His confidence in the power and justice of educational freedom gave him faith it would be realized. “I sense that we are on the verge of a breakthrough . . .” Milton said, “which will then sweep like wildfire through the rest of the country as it demonstrates its effectiveness.”

The *ABCs of School Choice* is designed to guide your efforts—whether your goal is to promote educational options in your own state, or simply to understand the concept better. We at the Friedman Foundation for Educational Choice hope you find this guide to be an essential aid as you continue working to give parents the choices they desire—and the education their children deserve.

What is School Choice?

School Choice is...

... a common sense idea that gives all parents the power and freedom to choose their child's education, while encouraging healthy competition among schools and other institutions to better serve students' needs and priorities.

... a public policy that allows a parent/guardian or student to choose a district, charter, or private school, regardless of residence and location.

Common Sense

It is immoral that the quality of schooling is based on the value and location of your home. School choice gives parents the freedom to choose a school based on its quality and their child's needs, not their home address.

Parental Power and Freedom

Most people can't afford to pay twice for education, once in taxes and again in private school tuition. School choice gives parents financial power and flexibility by letting them use public funds set aside for education to send their children to the school of their choice—public or private, near or far, religious or secular—whatever works best for their children. In every part of the country, children are assigned to a public school based on where their parents live. School districts, in nearly all cases, control local monopolies that dictate the terms and conditions of education for students and schools. School choice gives parents the freedom to choose a school.

Healthy Competition and Effective Schools

Most schools in America still operate using a 19th century industrial model for delivering goods and services. Today, schools generally do not function in a way that can effectively meet the specific needs and priorities of every unique child. School choice forces all schools—public and private—to compete and innovate in order to offer the best education possible to attract and retain students.



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Section 1:
School Choice Primer

Types of School Choice

SCHOOL VOUCHERS

School vouchers give parents the option of sending their children to the school of their choice, whether that school is public or private, including both religious and non-religious schools. Public funds typically expended by the school district would be allocated to families in the form of a school voucher to pay partial or full tuition for their child's school. In effect, vouchers achieve Milton and Rose Friedman's vision of a practice where the government financing of education is separated from the government operation of schools.

Universal

All children are eligible.

Example: Sweden

Means-Tested

Children from families below a defined income level are eligible.

Examples: Milwaukee, Cleveland, Indiana, Louisiana, District of Columbia

Failing Schools

Children who are performing poorly in public school or who are attending failing public schools are eligible.

Examples: Ohio, Louisiana

Special Needs

Children identified as having special educational needs or who have Individualized Education Plans (IEPs) are eligible.

Examples: Florida, Ohio, Georgia, Utah, Louisiana, Oklahoma

Town Tuitioning

Children who live in towns that do not operate public schools at their grade levels are eligible.

Examples: Maine, Vermont

EDUCATION SAVINGS ACCOUNTS (ESA)

Parents are allowed to withdraw their child from a public district or charter school, and receive a payment into a government-authorized savings account with restricted, but multiple uses. Parents then can use these funds to pay for private school tuition, virtual education programs, private tutoring, or save for future college expenses.

Example: Arizona

TAX-CREDIT SCHOLARSHIPS

Individuals and/or corporations receive a tax credit from state taxes for making donations to nonprofit organizations, which use the donated money to fund private school scholarships for students. Scholarship Granting Organizations (SGOs) are nonprofit organizations that can be started by anyone. In some programs, students must meet certain income criteria to be eligible for scholarships.

Examples: Pennsylvania, Florida, Arizona, Iowa, Georgia, Indiana, Rhode Island, Oklahoma

INDIVIDUAL TAX CREDITS AND DEDUCTIONS

Parents can receive a tax credit or tax deduction from state income taxes for approved educational expenses. This usually includes private school tuition as well as books, supplies, computers, tutors, and transportation. Even when tuition is not eligible for the credit or deduction, these programs still make school choice easier for parents because they relieve the burden of non-tuition expenses at private schools. Some programs restrict the income level of eligible recipients or the amount they can claim.

Examples: Illinois, Iowa, Minnesota, Louisiana, North Carolina, Indiana

Alternative Schooling Options

CHARTER SCHOOLS

Charter schools are independent public schools that are exempt from many state and local rules and regulations in exchange for increased financial and academic accountability. Though these schools are autonomous public schools, they are typically required to adhere to state-based standards and to administer the state assessment. Regulation and funding of charter schools varies from state to state. As of 2012, 41 states and the District of Columbia, have charter school laws. There are approximately 1.7 million students attending more than 5,400 charter schools in the United States.

Recommended sources for additional information:

National Alliance for Public Charter Schools, www.publiccharters.org

The Center for Education Reform (CER), www.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 to best suit the learning needs of their children whereas other states require standardized test scores, curriculum approval, and regular professional evaluation of students. This practice is becoming more common in the United States, growing from about 15,000 students in 1970, to approximately 1.5 million as of 2007, according to the U.S. Department of Education.

Recommended source for additional information:

Home School Legal Defense Association, www.hslda.org

ONLINE SCHOOLS AND DIGITAL LEARNING

Online schools can be run publicly or privately, allowing students to work with their curriculum and teachers over the internet—in combination with, or in place of, traditional classroom learning. In some states, online schools must have a brick-and-mortar location where children go to receive online instruction. In other states, online instruction can be done from home.

Recommended sources for additional information:

The International Association for K–12 Online Learning, www.inacol.org

Connections Academy, www.connectionsacademy.com

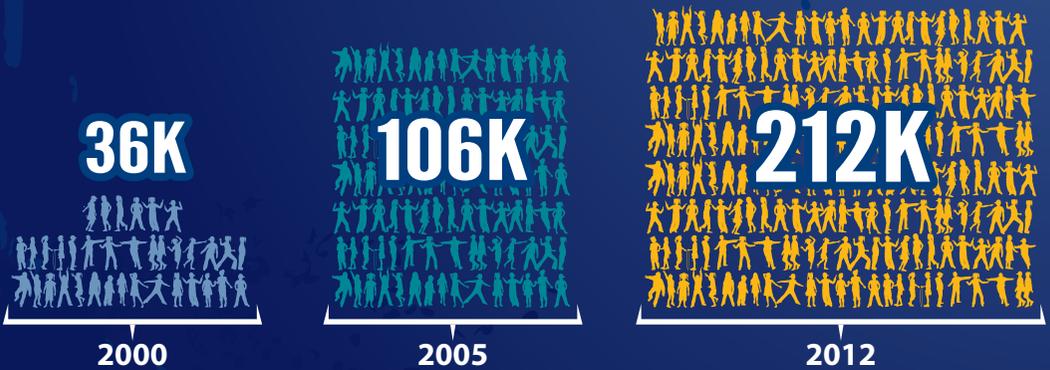
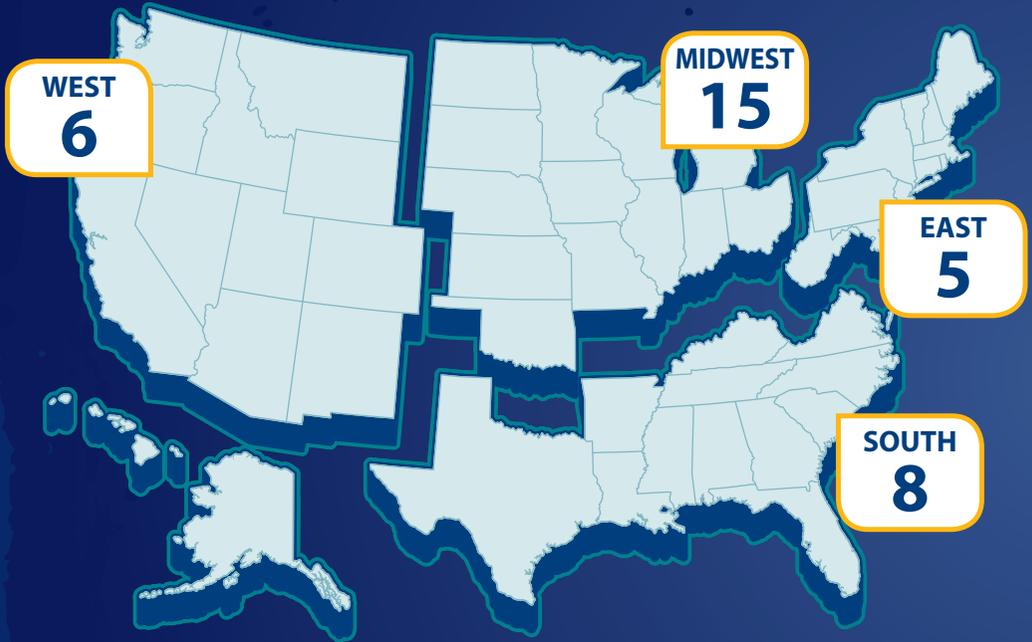
K¹², www.k12.com

SCHOOL CHOICE ILLUSTRATED

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- 17 voucher programs
- 1 education savings account program
- 10 tax-credit scholarship programs
- + 6 tax credit/deduction programs

34 school choice programs



Participation Growth in Voucher and Tax-Credit Scholarship Programs
(estimated to the nearest thousand; based on most recent year reported data)

Average percentage of voters saying they favor/oppose school vouchers

64% FAVOR



29% OPPOSE

63% FAVOR



23% OPPOSE

Average percentage of voters saying they favor/oppose tax-credit scholarships

19 successes launching or expanding school choice programs in 2011



9 of 10 gold standard studies show that vouchers contribute to academic improvements for most students who use them.

Indiana produced the highest first-year enrollment for a school choice program:

3,919 students



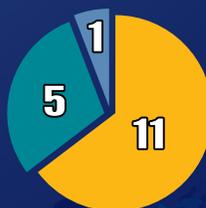
19 of 20 empirical studies find that vouchers improve public schools as well.



VOUCHERS

(17 total programs)

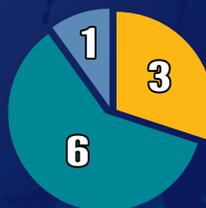
- No Income Limits
- Moderate Income Limits
- Low Income Limits



TAX-CREDIT SCHOLARSHIPS

(10 total programs)

- No Income Limits
- Moderate Income Limits
- Low Income Limits





For nearly four years, the Friedman Foundation for Educational Choice has run a very successful National School Choice Speakers Bureau. However, as the field continues to expand and mature, the questions and needs of individuals and groups interested in school choice are also expanding in scope and variety. Groups of parents are seeking information on starting local school choice initiatives while business leaders are searching for school choice research, and legislators are looking for policy experts to advise them on legislation and funding.

Without question, there are school choice leaders with the expertise to address these questions. Too often, though, groups and individuals around the country do not know where to turn to get their questions answered. To remedy this, and to maintain the momentum of the school choice movement, the Friedman Foundation for Educational Choice invites you to take advantage of our National School Choice Speakers Bureau.

The School Choice Speakers Bureau is designed to be a working group of school choice leaders acting as a rapid-response corps of speakers that everyone can use. The Friedman Foundation staff coordinates the program and facilitates the connections between interested groups and school choice leaders with the following areas of expertise:

- **LEGISLATORS**
- **RECRUITING DONORS**
- **BUSINESS LEADERSHIP**
- **PARENT ORGANIZING**
- **SCHOOL CHOICE POLICY**
- **SCHOOL CHOICE RESEARCH**

To review our list of speakers visit:
www.EdChoice.org/SpeakersBureau



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Section 2:
Program Profiles



Arizona

PERSONAL TAX CREDITS FOR SCHOOL TUITION ORGANIZATIONS

Enacted 1997 • Launched 1997–98

PROGRAM TYPE

Tax-Credit Scholarship

SUMMARY

Arizona provides a credit on individual income taxes for donations to School Tuition Organizations (STOs), privately run nonprofit organizations that distribute private school scholarships. Individual taxpayers contributing to STOs may claim a dollar-for-dollar credit of up to \$500, and married couples filing jointly may claim up to \$1,000. Also, individuals may claim up to \$200 (\$400 for married couples) for contributing to a public school for extracurricular activities or character education programs. Any nonprofit that wants to operate as an STO may do so; there were 53 STOs in 2010–11.

SCHOLARSHIP/VOUCHER VALUE

STOs provide varying amounts of student aid. In 2010, the average scholarship was worth \$1,791. By statute, the scholarships are limited in value to \$4,700 for K–8 and \$6,000 for grades 9–12. Those amounts increase annually by \$100.

PARTICIPATION

In 2010, 26,453 scholarship students attended 367 private schools.

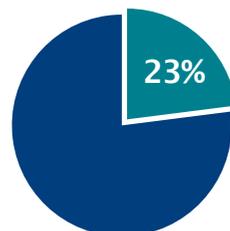
STUDENT ELIGIBILITY

Each STO may set its own eligibility guidelines. Most STOs give to students based solely on financial need, sometimes concentrating on a specific location or school system. An individual taxpayer may not make a contribution to an STO earmarked for his or her own child.

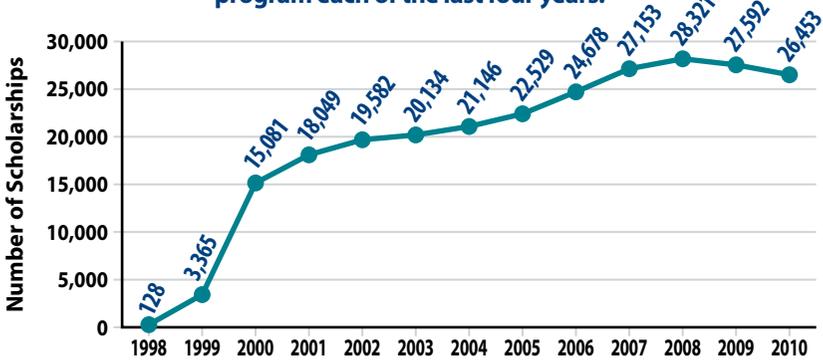
LATEST STATS (2009–10)

Students Participating: 26,453
Schools Participating: 367
Average Scholarship Value: \$1,791

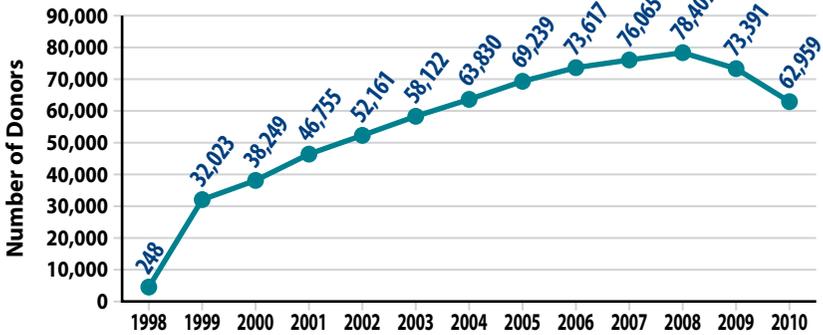
Average Scholarship Value as a Percentage of Arizona's Total Per-Student Spending (\$7,931)



More than 25,000 students have participated in the scholarship program each of the last four years.



Since 2000, the number of donors has increased by 65%.





Arizona

CORPORATE TAX CREDITS FOR SCHOOL TUITION ORGANIZATIONS

Enacted 2006 • Launched 2006-07

PROGRAM TYPE

Tax-Credit Scholarship

SUMMARY

Arizona provides a credit on corporate income taxes for donations to School Tuition Organizations (STOs), privately run nonprofit organizations that distribute private school scholarships. This program is modeled after Arizona’s existing individual tax credit for donations to STOs; the two programs work in tandem. All organizations registered as STOs may participate in both programs. Corporate taxpayers contributing to STOs may claim a tax credit equal to the full amount of their contribution. In 2010–11, a total of 17 STOs participated in the program and awarded scholarships.

SCHOLARSHIP/VOUCHER VALUE

STOs provide varying amounts of student aid. In 2010, the average scholarship awarded was worth \$2,212. Scholarships are capped at \$4,700 in grades K–8 and \$6,000 in grades 9–12. Those amounts increase annually by \$100.

PARTICIPATION

For school year 2010, 4,215 scholarships worth a total of \$9,322,231 were awarded. The program is limited to a total of \$10 million worth of tax credits per year, a figure that is allowed to rise by 20 percent annually.

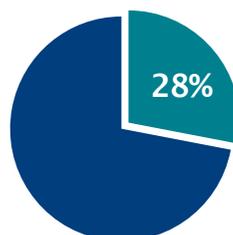
LATEST STATS (2009–10)

Students Participating: 4,215

Schools Participating: 187

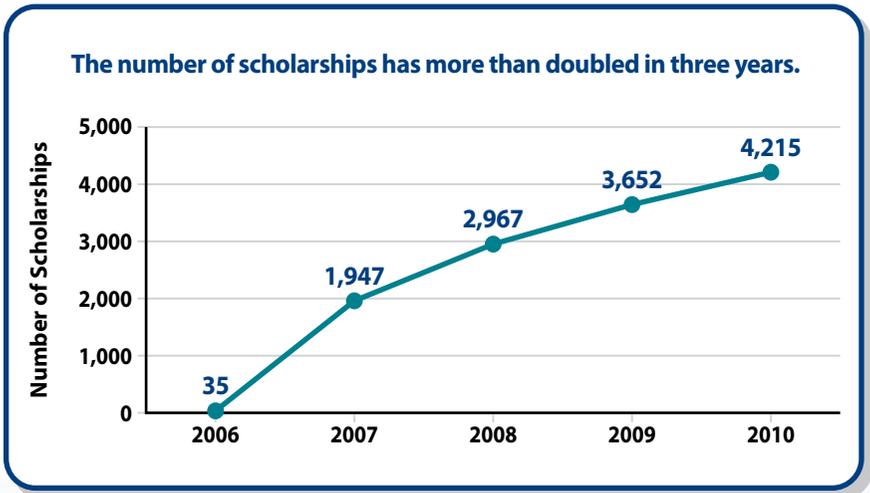
Average Scholarship Value: \$2,212

Average Scholarship Value as a Percentage of Arizona’s Total Per-Student Spending (\$7,931)



STUDENT ELIGIBILITY

Students receiving scholarships through the corporate tax credit program must have family incomes below 185 percent of the income eligible for reduced-price lunch (meaning a final program eligibility cutoff of \$76,493 for a family of four in 2011). Participants also must previously have attended a public school or be entering kindergarten. The income requirement does not apply to Arizona's other tax-credit scholarship program, which is funded by individuals rather than by corporate donors. Each STO may set its own eligibility guidelines. Most STOs give to students based solely on financial need, sometimes concentrating on a specific location or school system.





Arizona

LEXIE'S LAW CORPORATE TAX CREDITS

Enacted 2009 • Launched 2009-10

PROGRAM TYPE

Tax-Credit Scholarship

SUMMARY

Arizona provides tax-credit scholarships to special education students and foster care students in public schools, allowing them to attend the public or private school of their choice. After students are admitted to private schools, they apply to a state-authorized scholarship organization for help covering the costs of tuition.

SCHOLARSHIP/VOUCHER VALUE

The maximum dollar value of a special needs student's scholarship is equal to the lesser of the private school tuition or 90 percent of the state funding that would otherwise go to the pupil if he or she had remained in public school. This amount varies depending on factors such as the severity of the student's disability. In 2010, the average scholarship amount was \$4,310, although this amount was not broken down for special needs versus foster care. The aggregate credits claimed statewide cannot exceed \$5 million.

PARTICIPATION

In 2010, approximately 166 students and 68 private schools participated.

STUDENT ELIGIBILITY

Students are eligible for special needs scholarships if they have been enrolled in public school for the previous school year

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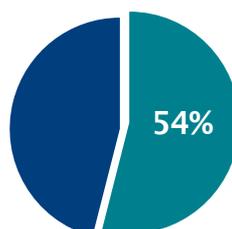
LATEST STATS (2009-10)

Students Participating: 166

Schools Participating: 68

Average Scholarship Value: \$4,310

Average Scholarship Value as a Percentage of Arizona's Total Per-Student Spending (\$7,931)



and are identified by the school district as having a disability under the Individuals with Disabilities Education Act or Section 504 of the Rehabilitation Act.

Students are eligible for displaced pupil scholarships if they have been placed in foster care at any time prior to graduating high school. Students do not need to be currently enrolled in a public school to participate.





Arizona

EMPOWERMENT SCHOLARSHIP ACCOUNTS

Enacted 2011 • Launched 2011-12

PROGRAM TYPE

Education Savings Account

SUMMARY

Arizona Empowerment Scholarship Accounts allow parents of children with disabilities to withdraw their children from public district or charter schools and receive a portion of their public funding deposited into an education savings account with defined, multiple uses. Parents can use their account funds to pay for private school tuition, virtual education programs, private tutoring, or future college expenses.

FAST FACTS

- Eligible special needs students have a scholarship account into which the state deposits 90% of the state revenue that would otherwise be dispensed to the public school district.
- Parents draw on the money in their child's scholarship account to pay for private schools and related expenses.
- There are no geographic or jurisdiction restrictions. All special needs students living in the state are potentially eligible.
- There is no financial cap on the program.

SCHOLARSHIP/VOUCHER VALUE

Student funding equals 90 percent of revenue the state would otherwise have sent to the public school district as “base support” calculated under Arizona Code § 15-943.

PARTICIPATION

In 2011-12, 142 students participated in the program.

STUDENT ELIGIBILITY

Special needs children qualify who were previously either (1) attending a public school for at least 100 days of the prior fiscal year, (2) receiving a special education scholarship from a School Tuition Organization, or (3) participating in the Empowerment Scholarship Accounts program itself.





Colorado

CHOICE SCHOLARSHIP PILOT PROGRAM

Enacted 2011 • Launched 2011–12

PROGRAM TYPE

Voucher

SUMMARY

Colorado's Douglas County School Board unanimously approved the Choice Scholarship Pilot Program for the 2011–12 school year, subject to annual renewal or cancellation by the board. If more than 500 students apply for vouchers, the Choice Scholarship Office conducts a lottery. Students must be residents of the Douglas County School District (DCSD) for at least one year, and must currently be attending a DCSD public school. Participating private schools can be located outside Douglas County. Online schools and homeschoolers are not eligible. The Choice Scholarship School, technically a charter school, is the administrative home for the voucher program and distributes vouchers to eligible families. Parents and community members have been appointed by the school board to provide oversight. The voucher program has been challenged in state court and is currently enjoined. The court case has been appealed.

FAST FACTS

- Available for up to 500 students who reside in Douglas County, Colorado and who were previously attending public schools.
- Eligible students can receive a voucher worth the lesser of the private school tuition or 75% of the per-pupil public revenue (which is \$4,575 for 2011–12).
- Not limited to impoverished students.

SCHOLARSHIP/VOUCHER VALUE

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

PARTICIPATION

Student participation is not available yet. If more than 500 students apply for vouchers, the Choice Scholarship Office conducts a lottery, in which a sibling's receipt of a voucher will not be taken into account. According to the Douglas County website, 31 private schools have applied to participate in the voucher program. Private schools can be located outside of Douglas County. Online schools and homeschoolers are not eligible.

STUDENT ELIGIBILITY

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





District of Columbia

OPPORTUNITY SCHOLARSHIP PROGRAM

Enacted 2004 • Launched 2004–05 • Authorized through 2015–16

PROGRAM TYPE

Voucher

SUMMARY

To give parents in the District of Columbia the ability to select the educational setting that best serves their child’s interests and needs, the U.S. Congress passed the D.C. School Choice Incentive Act of 2003. This five-year pilot program was part of the omnibus spending bill passed in 2004 and became the first voucher program to be overseen by the U.S. Department of Education. The program is funded separately from District of Columbia public schools. In April 2011, the program was re-authorized through 2016.

SCHOLARSHIP/VOUCHER VALUE

The designated administrator of the program distributes scholarships worth up to \$8,000 for students entering kindergarten through eighth grade; \$12,000 for students entering grades 9–12. These amounts will rise with the Consumer Price Index starting in 2012–13. The voucher may be used for tuition, fees, and transportation. Amounts may vary depending on tuition expenses.

PARTICIPATION

In 2011–12, 1,615 students received scholarships; 41 private schools participated in the program.

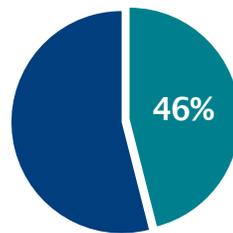
LATEST STATS (2011–12)

Students Participating: 1,615

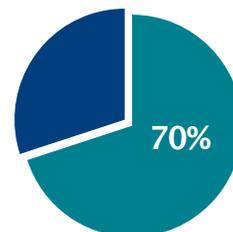
Schools Participating (2010–11): 41

Maximum Voucher Value: \$8,000 for students in grades K–8;
\$12,000 for students in grades 9–12

Maximum K–8 Voucher Value as a Percentage of D.C.’s Total Per-Student Spending (\$17,251)



Maximum 9–12 Voucher Value as a Percentage of D.C.’s Total Per-Student Spending (\$17,251)



STUDENT ELIGIBILITY

Most families in the District of Columbia who qualify for free and reduced-price lunch are eligible. Families may earn as much as 185 percent of the federal poverty level when they enter the program; in 2010, a family of four could earn up to about \$41,000. Families lose their eligibility if their income later rises above 200 percent of the poverty level. Students are given priority if they come from public schools designated as in need of improvement, or if they or their siblings are already participating in the program.



Photo provided by Virginia Walden Ford



Florida

JOHN M. MCKAY SCHOLARSHIPS FOR STUDENTS WITH DISABILITIES PROGRAM

Enacted as Pilot Program in 1999 • Expanded 2000–01

PROGRAM TYPE

Voucher

SUMMARY

Any student with a disability whose parents are unhappy with their assigned public school is eligible to receive a McKay voucher to attend a private school or another public school. Started in 1999 as a pilot in Sarasota County, the program originally was capped at five percent of eligible enrollment. It was expanded statewide in 2000–01, and the cap was removed.

New legislation has expanded the program to include “504 Plan” students (Section 504 of the federal Rehabilitation Act of 1973). Essentially, this extends eligibility to an estimated 50,000 students across the state of Florida. Section 504 protects qualified individuals with disabilities. Under this law, individuals with disabilities are defined as persons with a physical or mental impairment, which substantially limits one or more major life activities. People who have a history of impairment, or who are regarded as having a physical or mental impairment that substantially limits one or more major life activities, are also covered. Major life activities include caring for one’s self, walking, seeing, hearing, speaking, breathing, working, performing manual tasks, and learning.

SCHOLARSHIP/VOUCHER VALUE

The voucher is worth the same amount public schools would have spent on each participating child, though it may not exceed the cost of the private school’s tuition and fees. Thus, the value of the voucher varies widely depending on the severity of the child’s disability; as of June 2011, the average voucher was worth \$6,693. In addition, parents may supplement the voucher with their own money.

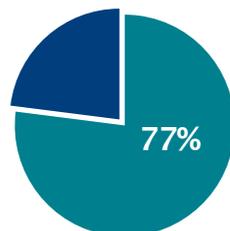
LATEST STATS (2010–11)

Students Participating (2011–12): 22,861

Schools Participating: 985

Average Voucher Value: \$6,693

Average Scholarship Value as a Percentage of Florida’s Total Per-Student Spending (\$8,747)

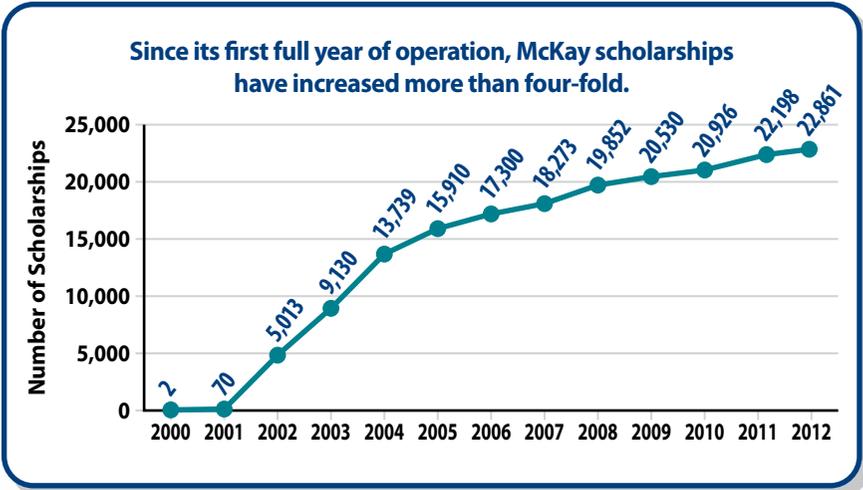


PARTICIPATION

In 2011–12, 22,861 students used McKay vouchers; 985 private schools participated in the program.

STUDENT ELIGIBILITY

All students with disabilities—those who have Individualized Education Plans covered under the federal disability-rights law or a Section 504 Plan under the Rehabilitation Act—and who have been enrolled in a public school for at least a year are eligible to receive vouchers. About 370,000 children statewide are eligible. Schools are not required to accept participating students, a particularly important factor for this program considering that not all schools are equipped to handle all forms of disabilities.





Florida

FLORIDA TAX CREDIT SCHOLARSHIP PROGRAM

Enacted 2001 • Launched 2001–02

PROGRAM TYPE

Tax-Credit Scholarship

SUMMARY

Florida provides a tax credit on corporate income taxes as well as insurance premium taxes for donations to Scholarship Funding Organizations (SFOs), privately run nonprofit organizations that distribute private school scholarships. SFOs provide scholarships worth up to \$4,106 for low-income students. They also may provide students with funds for transportation to another public school. Businesses get a dollar-for-dollar tax credit for contributions to scholarship organizations. The overall size of the program is capped at \$140 million for 2010–11 (that amount will rise by 25 percent in future years if the total credits claimed in a given year amount to 90 percent of the current cap).

In 2011, new legislation amended the original Florida Tax Credit Scholarship law in two ways: (1) eliminated the tax liability cap (formerly set at 75 percent) on the total tax due that qualifies for a credit; (2) allowed one to carry forward an unused amount of a tax credit to the next fiscal year, and eliminated the rescindment of all or part of an unused tax credit.

SCHOLARSHIP/VOUCHER VALUE

SFOs provide scholarships worth up to \$4,106 for private school tuition and fees, though they may not exceed the actual private school costs. At least 75 percent of the scholarship must be used for tuition, with the rest available for textbooks and transportation. Transportation grants are worth up to \$500. The average scholarship in 2010–11 was \$3,747.

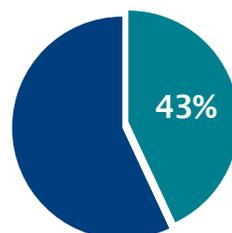
LATEST STATS (2010–11)

Students Participating (2011–12): 37,578

Schools Participating: 1,114

Average Scholarship Value: \$3,747

Average Scholarship Value as a Percentage of Florida's Total Per-Student Spending (\$8,747)

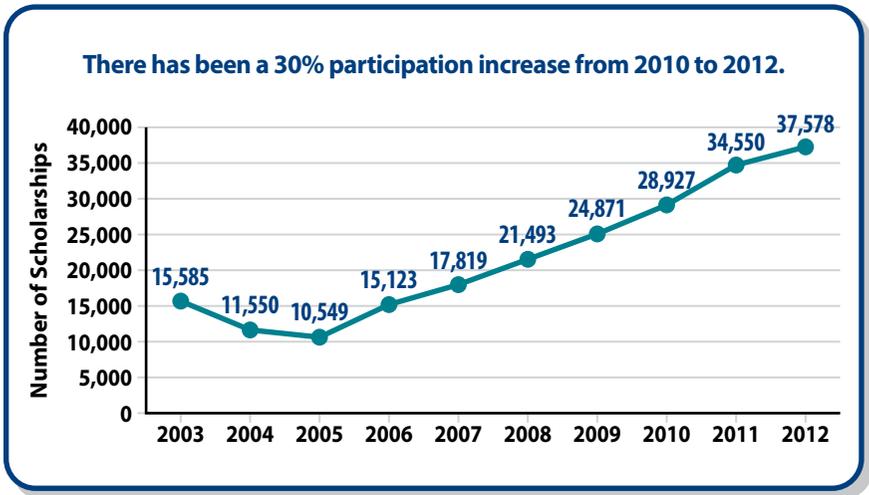


PARTICIPATION

In 2011–12, 37,578 students participated in the program.

STUDENT ELIGIBILITY

Students who qualify for free and reduced-price lunch (185 percent of the federal poverty level) and who are either enrolled in public school or are about to enter kindergarten or first grade are eligible to receive scholarships. Additionally, students in foster care are eligible. A family of four must have earned \$41,347.50 or less to qualify in 2010. If a student's household income rises, the student may stay in the program under full scholarship as long as the family earns no more than 230 percent of the poverty level. Participating private schools are required to accept scholarship students, but if they have more applicants than open seats, they are not required to admit students at random.





Georgia

GEORGIA SPECIAL NEEDS SCHOLARSHIP PROGRAM

Enacted 2007 • Launched 2007-08

PROGRAM TYPE

Voucher

SUMMARY

Any student with a disability whose parents are unhappy with their assigned Georgia public school is eligible to receive a voucher to attend a private school. The program is modeled after Florida’s McKay Scholarship Program.

SCHOLARSHIP/VOUCHER VALUE

The voucher is worth up to the cost of the educational program the student would have received in public school, as calculated by existing state funding formulas. This includes most of the funding that would have been spent on the student in public schools; it excludes only such things as capital costs and federal subsidy programs. The value of the voucher may not exceed the private school’s tuition and fees. In 2010–11, the average voucher was worth \$6,860.

PARTICIPATION

In 2011–12, 2,965 students enrolled in the program.

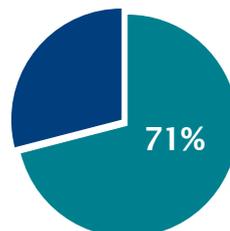
STUDENT ELIGIBILITY

Students who have attended public school for one year in Georgia and who have Individualized Education Plans under the federal special education law are eligible. Statewide, about 199,500 students are eligible.

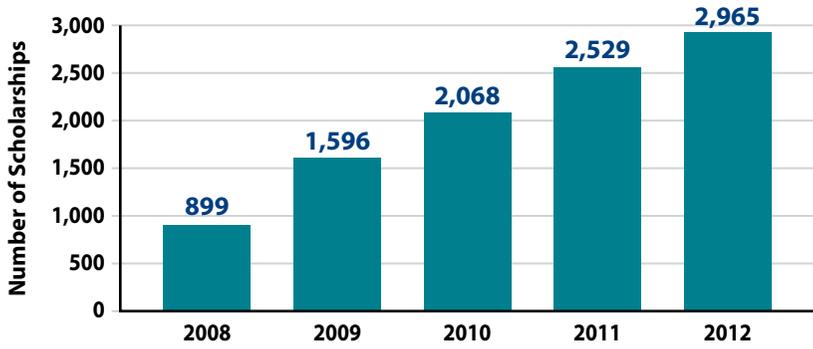
LATEST STATS (2010–11)

Students Participating (2011–12): 2,965
Schools Participating: 190
Average Voucher Value: \$6,860

Average Voucher Value as a Percentage of Georgia’s Total Per-Student Spending (\$9,685)



Participation has more than tripled since the program's first year.





Georgia

PRIVATE SCHOOL TAX CREDIT FOR DONATIONS TO STUDENT SCHOLARSHIP ORGANIZATIONS

Enacted 2008 • Launched 2008–09

PROGRAM TYPE

Tax-Credit Scholarship

SUMMARY

Georgia provides a credit on both individual and corporate income taxes for donations to Student Scholarship Organizations (SSOs), privately run nonprofit organizations that distribute private school scholarships. Individual taxpayers contributing to SSOs may claim a dollar-for-dollar credit of up to \$1,000, and married couples filing jointly may claim up to \$2,500. Corporate taxpayers may claim a dollar-for-dollar credit worth up to 75 percent of the taxpayer's total tax liability. The program is capped at \$50 million in tax credits per year, adjusted upwards for inflation annually until at least 2018. In 2011, the program hit its cap for the first time.

In 2011, Georgia passed a modest expansion to the state's tax-credit scholarship program. Although the changes were small, they will ensure continued growth of the program over time. Highlights of the expansion include:

- An escalator on the tax-credit cap that ties it to the Consumer Price Index with a sunset provision for 2018.
- A cap on scholarship amounts at the average of state and local funding.
- Made first graders automatically eligible for the scholarship.
- Increased transparency and accountability for SSOs.
- Clarified student eligibility provisions to ensure that once a student enters the program, he or she can continue receiving a scholarship until graduation or age 20.
- Gave corporate donors more time to make contributions after the Department of Revenue has approved their request.
- Created a web-based approval process so that donors can more easily and quickly contribute.

LATEST STATS (2009–10)

Students Participating: 1,900 (estimated)

Schools Participating: 400 (estimated)

Active Student Scholarship Organizations: 33

SCHOLARSHIP/VOUCHER VALUE

SSOs may determine the amount of each scholarship, as in most other states with tax-credit scholarship programs. The amount is capped at the average state and local expenditures per child for public elementary and secondary education in the entire state. The Georgia Department of Education must publish that amount annually.

PARTICIPATION

In 2009–10, the program served approximately 1,900 students at about 400 schools. Average scholarship amount has not been made available. Scholarships are available from pre-kindergarten through 12th grade. In 2010, the state reported 17,186 donors were pre-approved for a total of \$37,664,012 in credits (or an average of \$2,192 per taxpayer).

STUDENT ELIGIBILITY

All Georgia students enrolled in public schools are eligible to receive scholarships, as well as students who are eligible to enroll in pre-kindergarten, kindergarten, or first grade. Eligibility for a student continues until he or she graduates, reaches the age of 20, or returns to a public school. SSOs may set their own eligibility guidelines. Taxpayers may not make contributions earmarked for a particular child.





Illinois

TAX CREDITS FOR EDUCATIONAL EXPENSES

Enacted 1999 • Launched 2000

PROGRAM TYPE

Individual Tax Credit

SUMMARY

Illinois provides a tax credit covering educational expenses for students in any private or public school, including 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 in 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.

PARTICIPATION

In 2008, an estimated 249,314 families saved more than \$72 million by claiming the education tax credit.

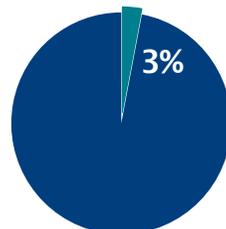
STUDENT ELIGIBILITY

To be eligible, a student must be a resident of Illinois who is under 21 and enrolled full-time in kindergarten through 12th grade.

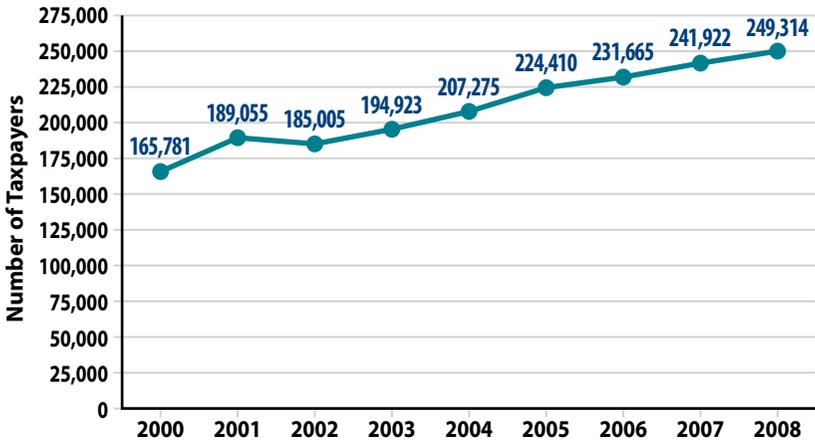
LATEST STATS (2008)

Families Participating: 249,314
Average Tax Credit Value: \$290

Average Tax Credit Value as a Percentage of Illinois's Total Per-Student Spending (\$11,120)



Taxpayer participation increased by 50% from 2000 to 2008, the last year of publicly available program data.





Indiana

SCHOOL SCHOLARSHIP TAX CREDIT

Enacted 2009 • Launched 2009-10

PROGRAM TYPE

Tax-Credit Scholarship

SUMMARY

First adopted in 2009, the Indiana School Scholarship Tax Credit Program allows individuals and corporations to claim a 50 percent tax credit for contributions to approved Scholarship Granting Organizations (SGOs) that distribute private school scholarships. Students are eligible if they live in households that earn up to 200 percent of the federal free and reduced-price lunch program guidelines. The program serves kindergarten through 12th grade. The tax credit is extended to both individuals and corporations. 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 \$5 million.

In 2011, Indiana passed an expansion to the state’s tax-credit scholarship program raising the cap on the total amount of tax credits available from \$2.5 million to \$5 million. Additionally, changes to the program clarify how SGOs operate by allowing them to serve two or more private schools.

SCHOLARSHIP/VOUCHER VALUE

Each SGO determines the amount of the scholarships it distributes.

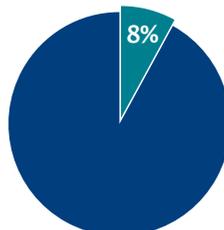
PARTICIPATION

In 2011–12, 590 students were awarded scholarships from five tuition organizations. In 2010–11, the average scholarship value was \$754. The total donor tax credits claimed was \$1,119,150, and the average donor claimed a credit of \$7,312.

LATEST STATS (2010-11)

Students Participating (2011–12): 590
Active Scholarship Granting Organizations: 5
Average Scholarship Value: \$754

Average Scholarship Value as a Percentage of Indiana’s Total Per-Student Spending (\$9,248)



STUDENT ELIGIBILITY

Eligibility is limited to students who have legal settlement in Indiana; are between five and 22 years of age; have been or are currently enrolled in a participating school; live in a household with an annual income of no more than 200 percent of the amount required to qualify for the federal free or reduced-price lunch program; and either (1) were enrolled in a public school in the previous year, (2) are enrolled in kindergarten, (3) received a scholarship in the previous school year from a nonprofit organization that qualifies for certification as an SGO, or (4) received a scholarship in the previous school year under this program.





Indiana

CHOICE SCHOLARSHIP PROGRAM

Enacted 2011 • Launched 2011-12

PROGRAM TYPE

Voucher

SUMMARY

Provides Choice Scholarships (or school vouchers) to students in families with household incomes not exceeding 150 percent of the federal free and reduced-price lunch program guidelines to pay the costs of tuition and fees to attend any accredited private school. Any child who attended a public school for the preceding two semesters (or received a tax-credit scholarship in kindergarten) is eligible to receive either a 90 percent or a 50 percent scholarship, depending on household income, to attend any accredited private school.

FAST FACTS

- On November 3, 2011, the Indiana Department of Education (IDOE) announced that 3,919 students had been approved for participation in the 2011-12 school year.
- According to IDOE, 85% of the scholarship recipients qualify for the free and reduced-price lunch program, and 15% come from middle-income families; 69% of students come from metropolitan areas, while 16% come from suburban areas and 15% from rural and small town areas; 53% of the scholarship users come from minority families, including 24% African-American and 19% Hispanic; students residing in 185 school districts are participating in the program, with no school district accounting for more than 17% of the total scholarship recipients.
- Projections estimate that approximately 525,000 students will be potentially eligible to receive a voucher, which is about 55% of the state's total public school population in grades 1-12. That said, the program is limited to 7,500 vouchers in the first year and 15,000 in the second.
- There are no geographic or jurisdiction restrictions; all students living in the state may be eligible.
- There is no financial cap on the program.

SCHOLARSHIP/VOUCHER VALUE

Students from families that qualified for the federal free and reduced-price lunch 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 the eligibility threshold for the federal free and reduced-price lunch program can receive a voucher worth up to 50 percent of the state funding allocation for the sending district. The maximum scholarship for a child enrolled in grades 1–8 is \$4,500. A family is allowed to supplement the voucher.

PARTICIPATION

The Indiana Department of Education announced that 3,919 will be participating in the 2011–12 school year. The bill limits student participation to 7,500 during the 2011–12 year and 15,000 during the 2012–13 year. No limit is required for subsequent years.

STUDENT ELIGIBILITY

Eligible students include: (1) children entering grades 1–12 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 the federal free and reduced-price lunch program, which is approximately \$61,000 for a family of four, in the previous year; (2) students enrolled in kindergarten; (3) students who received a scholarship in the previous school year from a nonprofit organization that qualifies for certification as an SGO; or (4) received a scholarship in the previous school year under this program.





Indiana

TUITION TAX DEDUCTION

Enacted 2011 • Launched 2011

PROGRAM TYPE

Individual Tax Deduction

SUMMARY

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 a private school or who is homeschooled will be 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.

FAST FACTS

- Provides a state tax deduction for individual taxpayers who make educational expenditures for their dependent children.
- Maximum deduction is \$1,000 times the number of children.
- No statewide limitation or cap.
- Deductions available for expenses related to private schooling or homeschooling.

PARTICIPATION

N/A

STUDENT ELIGIBILITY

Deductions are available for expenditures for either private schooling or homeschooling.





EDUCATION EXPENSE CREDIT

Enacted 1987 • Launched 1987

PROGRAM TYPE

Individual Tax Credit

SUMMARY

Iowa provides a tax credit covering educational expenses for students in any private or public school, 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.

PARTICIPATION

In 2009, the last year of available data from the Iowa Department of Revenue, 194,200 families saved more than \$15 million by claiming the tax credit. The average claim was worth about \$78.

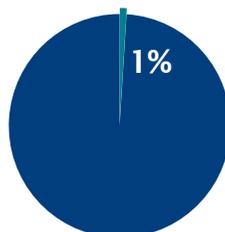
STUDENT ELIGIBILITY

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

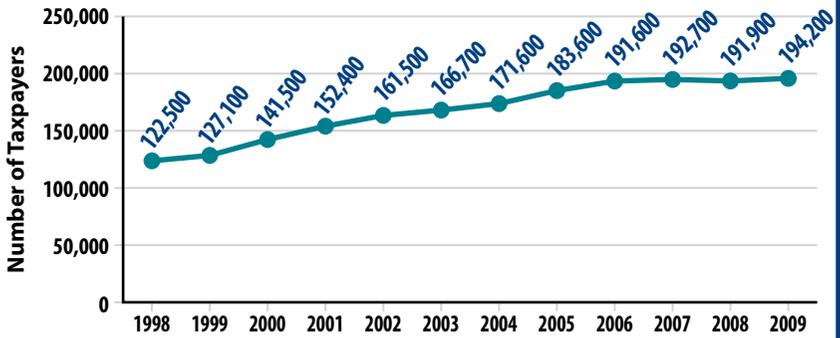
LATEST STATS (2009)

Taxpayers Participating: 194,200 (estimated)
Average Tax Credit Value: \$78

Average Tax Credit Value as a Percentage of Iowa's Total Per-Student Spending (\$10,010)



**Taxpayer participation increased by 37% from 2000 to 2009,
the last year of publicly available program data.**



SCHOOL TUITION ORGANIZATION TAX CREDIT

Enacted 2006 • Launched 2006

PROGRAM TYPE

Tax-Credit Scholarship

SUMMARY

Iowa provides a credit on individual income taxes for donations to School Tuition Organizations (STOs), privately run nonprofit organizations that distribute private school scholarships. The credit is worth 65 percent of the value of the donation. The value of the tax credit is also limited by a statewide cap. A maximum of \$7.5 million in tax credits is available, although 2011 budget legislation raised that cap to \$8.75 million starting July 1, 2012. Each STO is able to grant tax credits to its donors up to its share of this statewide limit, with each STO's share determined by the enrollment at the schools it serves. There are 12 STOs.

In 2009, an expansion allowed corporate donations for the first time. These donations are able to constitute up to 25 percent of the \$7.5 million cap.

On July 29, 2011, Gov. Terry Branstad signed budget legislation that stipulated an increase for the cap on available tax credits. The new cap will be \$8.75 million for the 2012 tax year (previously it was \$7.5 million). Based on the program's history, that should make available approximately 1,200 more scholarships.

SCHOLARSHIP/VOUCHER VALUE

Each STO determines the amount of scholarships it distributes. In 2010–11, the average scholarship was worth \$1,061.

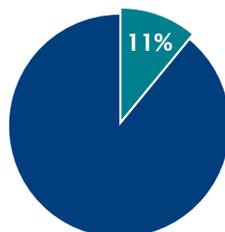
LATEST STATS (2010–11)

Students Participating: 10,208

Schools Participating: 155

Average Scholarship Value: \$1,061

Average Scholarship Value as a Percentage of Iowa's Total Per-Student Spending (\$10,010)

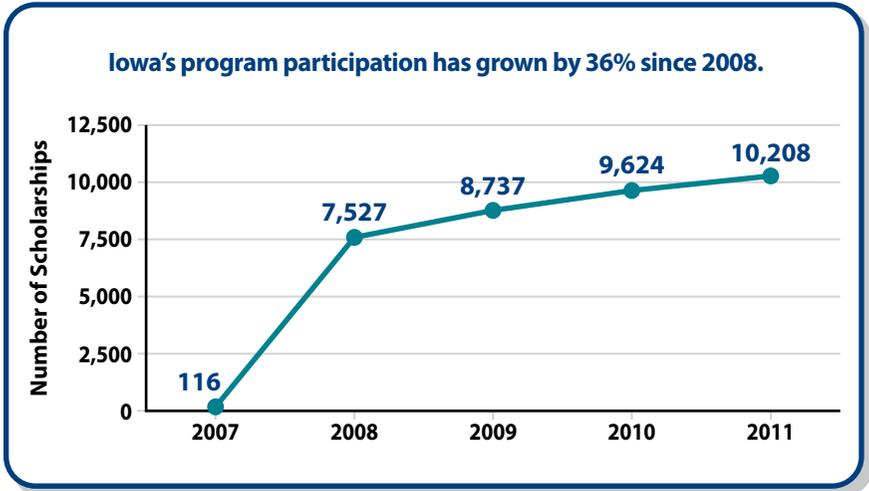


PARTICIPATION

In 2010–11, a total of 10,208 scholarships were distributed.

STUDENT ELIGIBILITY

Children are eligible to receive scholarships if their family income does not exceed 300 percent of federal poverty guidelines.





Louisiana

STUDENT SCHOLARSHIPS FOR EDUCATIONAL EXCELLENCE PROGRAM

Enacted 2008 • Launched 2008–09

PROGRAM TYPE

Voucher

SUMMARY

Low-income students in grades K–6 located in large, failing school districts (currently only New Orleans and Jefferson Parish qualify) are eligible for vouchers to attend the public or private school of their choice. Additional grade levels will be added to the program in future years (one grade level per year). Only private schools that were already in existence for three years when the voucher program was created can participate.

SCHOLARSHIP/VOUCHER VALUE

The voucher is equal to 90 percent of the total state and local (but not federal) funding per student in the student’s home school district, or the tuition charged by the private schools, whichever is less. That amount may not exceed the maximum tuition charged to non-voucher students. Special education students get an additional amount added to their voucher equal to the federal (but not state and local) special education funding in their home districts.

PARTICIPATION

In 2011–12, 1,912 students attended 39 schools through the program, with an average voucher value of \$4,595.

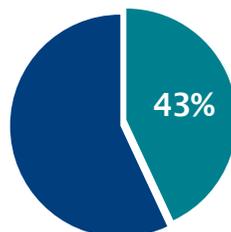
LATEST STATS (2011–12)

Students Participating: 1,912

Schools Participating: 39

Average Voucher Value: \$4,595

Average Voucher Value as a Percentage of Louisiana’s Total Per-Student Spending (\$10,684)



STUDENT ELIGIBILITY

Students are eligible if: (1) their family income is no more than 250 percent of the federal poverty line; (2) they are eligible for the free and reduced-price lunch program (this is mostly redundant with the income requirement); (3) they either were enrolled in a public school designated as failing the previous year, or are entering kindergarten; (4) they are entering a grade covered by the program (K–4 in 2009–10, with one additional grade level added in each subsequent year); and (5) their public school district has been found to be in “academic crisis,” had schools transferred to the state’s Recovery School District, and is located in a parish with at least 475,000 people. Currently only New Orleans and Jefferson Parish satisfy this definition. Once a district is eligible, it will remain eligible as long as the program exists. If more students apply than the program will allow, participation will be determined by random lottery. Participation is also limited by the amount of money the legislature appropriates for the program.

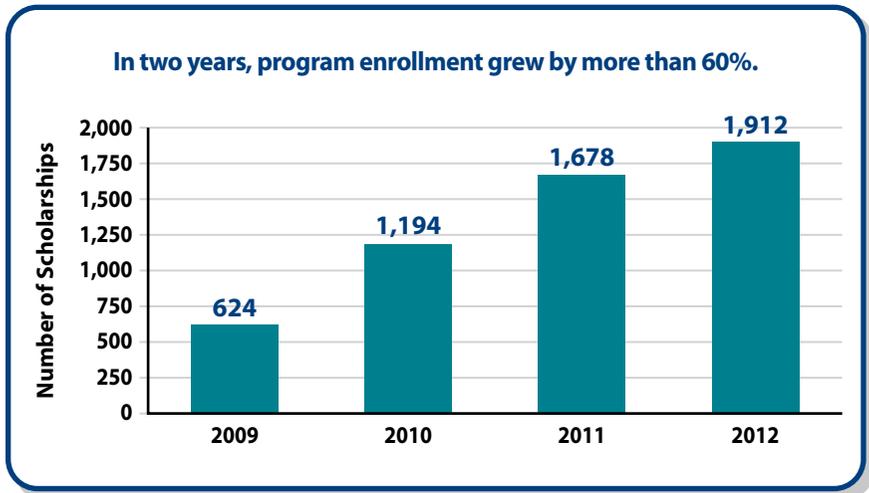


Photo provided by the Louisiana Black Alliance for Educational Options



Louisiana

ELEMENTARY AND SECONDARY SCHOOL TUITION DEDUCTION

Enacted 2008 • Launched 2008

PROGRAM TYPE

Individual Tax Deduction

SUMMARY

Louisiana provides an individual tax deduction for educational expenses, including private school tuition and fees as well as uniforms, textbooks, curricular materials, and any school supplies required by the school. This deduction helps mitigate the cost of choosing a private school, making it easier for families to exercise choice. The deduction also includes tuition and fees at university-run “lab schools,” as well as educational expenses for public schools and homeschool students.

TAX DEDUCTION VALUE

The deduction is worth 100 percent of the total amount spent on tuition, fees, and other eligible expenses at private schools, and 50 percent of expenses paid for homeschooling and public schools. It is capped at \$5,000 per child. The average deduction in 2010 was \$2,381.

PARTICIPATION

Almost 97,000 families currently participate in this tax deduction program.

STUDENT ELIGIBILITY

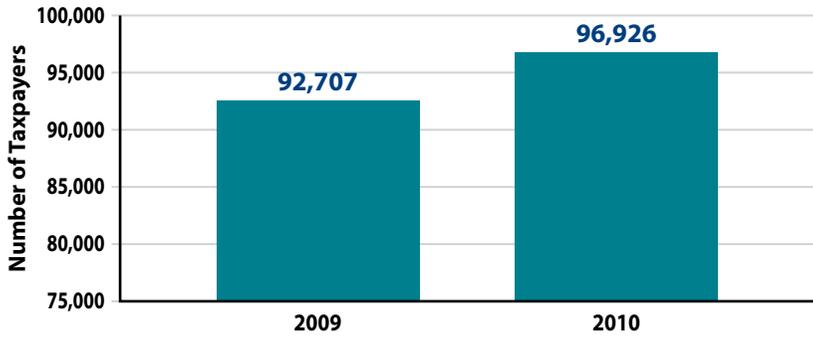
All K–12 Louisiana students are eligible.

LATEST STATS (2010)

Families Participating: 96,926

Average Tax Deduction Value: \$2,381

The number of taxpayers grew more than 4% from 2009 to 2010.





Louisiana

SCHOOL CHOICE PILOT PROGRAM FOR CERTAIN STUDENTS WITH EXCEPTIONALITIES

Enacted 2010 • Launched 2011–12

PROGRAM TYPE

Voucher

SUMMARY

Allows any student in an eligible parish with exceptionalities the opportunity to attend schools of their parents' choosing that provide educational services that specifically address the student's needs. Eligible students are generally defined as special needs students who have Individualized Education Plans (IEPs) but who are not in an accelerated or gifted and talented program.

SCHOLARSHIP/VOUCHER VALUE

The educational certificate (voucher) is worth 50 percent of the state dollars spent on the child in his or her public school or the cost of private school tuition, whichever is less. The Louisiana Department of Education currently estimates that scholarships will be worth \$3,000 in the first year (2011–12).

PARTICIPATION

As of fall 2011, 206 students were receiving scholarships with an average value of \$2,155.

STUDENT ELIGIBILITY

Students with exceptionalities—those who have Individualized Education Plans (IEPs) or a services plan in accordance with Title 34 of the code of federal regulations—and who reside in an eligible parish, are eligible to attend public school, are entering kindergarten or grades 1–8, and are not deemed gifted or talented are eligible to receive an educational certificate (voucher), which is to be applied to the cost of educational services.

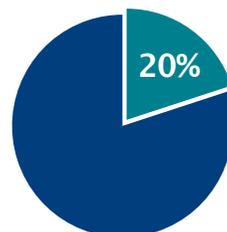
LATEST STATS (2011–12)

Students Participating: 206

Schools Participating: 22

Average Voucher Value: \$2,155

Average Voucher Value as a Percentage of Louisiana's Total Per-Student Spending (\$10,684)







Maine

TOWN TUITIONING PROGRAM

Launched 1873

PROGRAM TYPE

Voucher

SUMMARY

Many small towns in Maine do not operate local high schools, and some do not operate local elementary schools. Students in these 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. In 2009, 176 towns let parents decide where to send their children, while 33 towns contracted with one school.

SCHOLARSHIP/VOUCHER VALUE

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 what is known as the insured value factor, an additional payment intended to cover depreciation of private schools’ buildings. Parents may supplement this voucher with their own money. The values of these vouchers 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. Under Maine law for 2010–11, the maximum tuition rate for public elementary students attending elementary private school may not exceed \$7,361, whereas the maximum tuition for secondary schools is \$9,238.

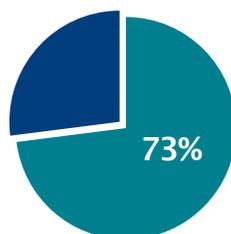
LATEST STATS (2010–11)

Students Participating: 5,091

Schools Participating: 60

Average Voucher Value: \$8,798

Average Voucher Value as a Percentage of Maine’s Total Per-Student Spending (\$11,977)



PARTICIPATION

In 2010-11, 5,091 students used vouchers at 60 different schools. Eighteen of those students were attending out-of-state private schools.

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. In 2009, a total of 176 sending towns tuitioned either their elementary or secondary students.





Minnesota

K-12 EDUCATION SUBTRACTION AND K-12 EDUCATION CREDIT

Launched 1955 (Deductions) and 1997 (Credits)

PROGRAM TYPE

Individual Tax Credit/Deduction

SUMMARY

Minnesota provides a tax credit and 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; the tax credit reduces the family’s total tax liability. Both cover books, tutors, academic after-school programs, and other non-tuition educational expenses. The deduction also includes tuition payments at private schools, although the credit does not. The credit and the deduction make it easier for families to choose a private school for their children.

TAX CREDIT/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. 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.

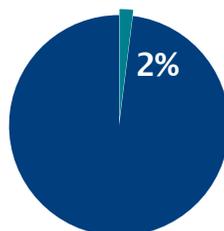
Unlike the deduction, the refundable tax credit is phased out for taxpayers earning more than \$33,500. For families with one child, the family’s maximum allowable credit is reduced by one dollar for every four dollars of income above \$33,500, and the family may not claim the credit at all if family income is above \$37,500. For families with two children, the family’s 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

(continued on next page)

LATEST STATS (2009)

Taxpayers Participating (Tax Credit): 54,141
Taxpayers Participating (Deduction): 229,940
Average Tax Credit Value: \$260
Average Tax Deduction Value: \$1,194

Average Tax Credit Value as a Percentage of Minnesota’s Total Per-Student Spending (\$11,067)



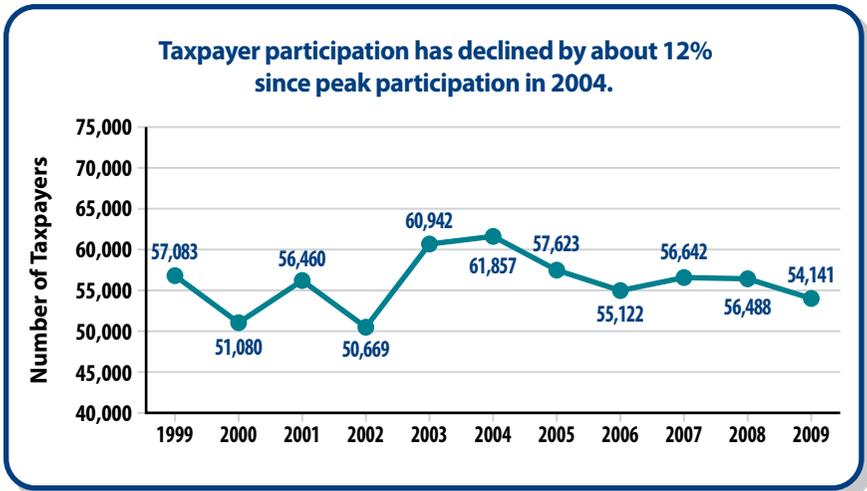
above \$33,500, but the \$37,500 income ceiling is raised by \$2,000 for each child after the first two. For example, a family with four children may not claim the credit if its income is above \$41,500.

PARTICIPATION

In 2009, the most recent year for which statistics are available, 54,141 taxpayers claimed credits worth an average of \$260—a total of more than \$14 million. Also, 229,940 taxpayers claimed deductions worth an average of \$1,194, a total of more than \$274 million.

STUDENT ELIGIBILITY

Any parent or guardian who spends money on approved education expenses for a child, including tuition, is eligible to receive the deduction. Parents must meet an income restriction to claim the credit; the income cutoff is \$37,500 plus \$2,000 for every child in the family after the first two. Also, parents must be tax filers and have proof of eligible expenses.





North Carolina

TAX CREDITS FOR CHILDREN WITH DISABILITIES

Enacted 2011 • Launched 2011

PROGRAM TYPE

Individual Tax Credit

SUMMARY

Allows parents of special needs children to claim a tax credit of up to \$6,000 for educational expenses that include private school tuition, therapy, and tutoring. Nearly 200,000 K–12 students in North Carolina public schools are estimated to be receiving special education and related services this school year, which cost the state \$8,160 and school districts \$1,931 per student. It is estimated that up to five percent of qualified students will take advantage of the tax credit, which would save taxpayers up to \$10 million and school districts up to \$4 million per year within the next five years. These savings will be placed in a fund for special needs programs in public schools.

FAST FACTS

- Initial eligibility is restricted to children who were receiving special education services in public schools under an Individualized Education Program (IEP), and continuing eligibility depends on a special education evaluation by the school district every three years.
- Credit is limited to \$3,000 per semester per child, and is available both for private school expenses and for homeschooling parents who have special education expenses.
- There is no statewide cap.

TAX CREDIT VALUE

Up to \$6,000 tax credit per child. There is no statewide cap on the number or amount of credits available. The credit is equal to the amount paid for tuition and special education services, and is available for the special education expenses incurred by homeschoolers as well.

PARTICIPATION

N/A

STUDENT ELIGIBILITY

Students are eligible for the tax credit if they (1) are disabled, (2) already have an Individualized Education Plan (IEP), (3) receive special education or related services on a daily basis, and (4) are a child for whom the taxpayer can receive a personal exemption. For initial eligibility, the student must have been enrolled for at least the previous semester at a public school, or must have been receiving special education services through the public school as a preschool child. Continuing eligibility requires a new evaluation every three years by the school district to ensure that the child is still disabled.

Students are no longer eligible for the tax credit if they (1) were placed in a private school at public expense, (2) were enrolled in college, (3) were 22 years or older during the entire semester, or (4) graduated from high school before the end of the semester.

Unused tax credits can be carried forward for up to three years.





Ohio

CLEVELAND SCHOLARSHIP & TUTORING PROGRAM

Enacted 1995 • Launched 1996–97

PROGRAM TYPE

Voucher

SUMMARY

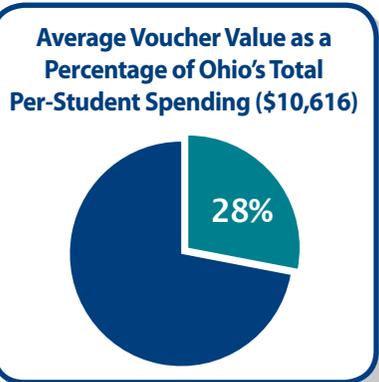
Families who live within the boundaries of the Cleveland Municipal School District are eligible to use a voucher to send their children to private school. The voucher also may be used at public schools bordering the school district, but currently no public schools have chosen to participate. No more than half of new recipients may be students previously enrolled in private schools. In addition, the state gives tutorial grants to public school students for services beyond those provided by public schools. As of 2011, Cleveland vouchers increased by \$800 to \$1,550 per student to mirror the size of the state’s EdChoice Scholarships (see page 58). Also, the program, previously limited to students entering grades K–8, is now open to students in any grade.

SCHOLARSHIP/VOUCHER VALUE

The maximum voucher value is \$3,450 through 2011, which will increase in 2012 to \$4,250 for K–8 and \$5,000 for high school. Families with incomes below 200 percent of the federal poverty level receive scholarships worth 90 percent of tuition, whereas families above the 200 percent level receive scholarships worth 75 percent of tuition. Parents agree to pay either the remaining tuition or volunteer equivalent hours of service at their child’s school. Children with special needs may receive larger scholarships, based on need. Tutorial grants are worth up to 20 percent of the average basic voucher amount, not exceeding \$550.

LATEST STATS (2010–11)

Students Participating (2011-12): 5,030
Schools Participating: 40
Average Voucher Value: \$2,943



PARTICIPATION

In 2011-12, 5,030 students are receiving vouchers in with 40 private schools participating. In 2010–11, the average voucher amount was \$2,943.

STUDENT ELIGIBILITY

Children in grades K–12 can apply for a voucher. Voucher users must live within the Cleveland school district. Priority is given to families with incomes below 200 percent of the federal poverty level (\$44,700 for a family of four in 2011). Children from families with incomes above 200 percent of poverty are eligible only if funds are available. 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.

The number of awarded Cleveland scholarships has declined by nearly 20% since peak participation in 2008.



Photo provided by National School Choice Week



Ohio

AUTISM SCHOLARSHIP PROGRAM

Enacted 2003 • Launched 2004–05

PROGRAM TYPE

Voucher

SUMMARY

Ohio students on the autism spectrum may use a voucher to receive 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.

SCHOLARSHIP/VOUCHER VALUE

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

PARTICIPATION

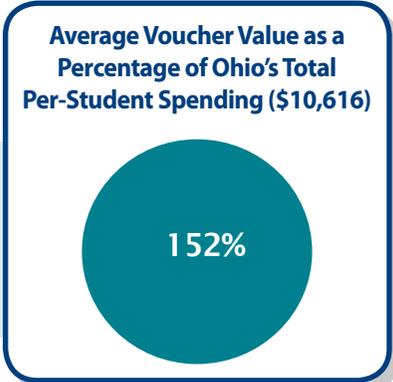
There were 1,672 students receiving vouchers through the program in 2010. There are currently about 200 service providers registered with the state. The average voucher amount in 2010 was \$16,148.

STUDENT ELIGIBILITY

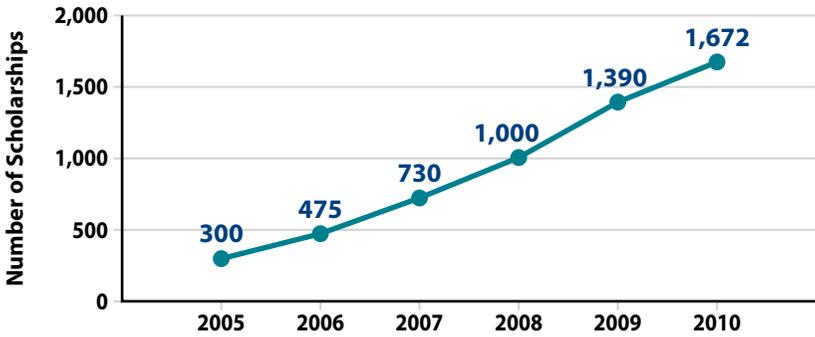
Students must be ages 3–21, diagnosed with an autism spectrum disorder and registered in the public school special education system. Students may use the voucher whether or not they were enrolled previously in public schools, though students not previously enrolled in public schools must formally transfer into the public system (they do not need to actually leave their private schools).

LATEST STATS (2009–10)

Students Participating: 1,672
Service Providers Participating: 200 (estimated)
Average Voucher Value: \$16,148



Participation in Ohio's autism scholarship program has grown by more than 457% since its first year in 2005.





Ohio

EDUCATIONAL CHOICE SCHOLARSHIP PROGRAM

Enacted 2005 • Launched 2006–07

PROGRAM TYPE

Voucher

SUMMARY

Ohio students attending chronically failing public schools are eligible for vouchers to attend private schools. The EdChoice Scholarship Program will quadruple the number of vouchers available during the next two years to allow 60,000 scholarships by the 2012–13 school year. Eligibility for EdChoice also expanded to include students who attend schools in the bottom 10 percent of the state according to state performance index scores.

SCHOLARSHIP/VOUCHER VALUE

In grades K–8 the voucher is worth up to \$4,250; in grades 9–12 it is worth up to \$5,000. The voucher may not exceed the private school’s actual tuition and fees. Participating schools may charge additional tuition (or require equivalent volunteer hours from parents) 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. The average voucher amount in 2010–11 (the most recent year for which figures are available) was \$3,855.

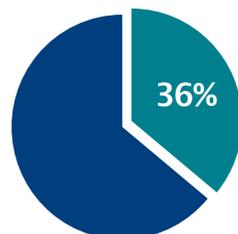
PARTICIPATION

In 2011–12, a record 16,136 students are participating. In 2005, the state legislature set a cap on the maximum number of participants at 14,000 students, but 2011 legislation raised that cap substantially to 30,000 in the 2011–12 school year and 60,000 in all subsequent years.

LATEST STATS (2010–11)

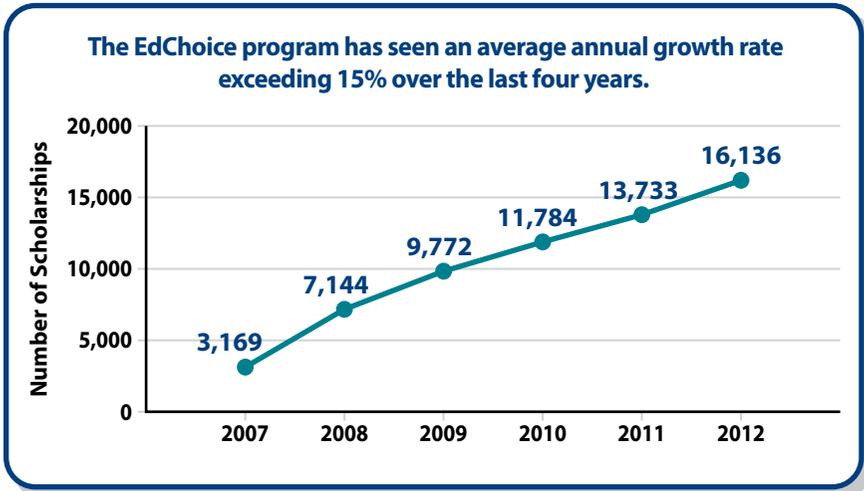
Students Participating (2011–12): 16,136
Schools Participating: 273
Average Voucher Value: \$3,855

Average Voucher Value as a Percentage of Ohio’s Total Per-Student Spending (\$10,616)



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 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. Legislation in 2011 added to the categories of students who are eligible for vouchers: students who are either enrolled or eligible to be enrolled in public schools that got a performance index score 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. Students eligible for the voucher program in Cleveland are not eligible. Statewide, more than 88,000 students are eligible.





Ohio

JON PETERSON SPECIAL NEEDS SCHOLARSHIP PROGRAM

Enacted 2011 • To be launched 2012–13

PROGRAM TYPE

Voucher

SUMMARY

Ohio parents of children with special needs, who currently are enrolled in public schools, will be able to use a Jon Peterson Special Needs Scholarship to pay for private school tuition and additional services at private therapists and other service providers. In addition, this scholarship can be used at public providers (i.e., school districts) if the district chooses to accept the scholarship students. The number of scholarships available is capped at five percent of the students with special needs in the state. Ohio has approximately 260,000 students with Individualized Education Plans, which means around 13,000 scholarships will be available. Each scholarship will be worth 90 percent of students' special education funding amounts, with a cap of \$20,000. The program takes effect in the 2012–13 school year.

FAST FACTS

- Scholarships are worth the lesser of tuition, state aid currently provided for that child, or \$20,000.
- Eligibility for the program is capped statewide at 5% of the disabled children in the state.

SCHOLARSHIP/VOUCHER VALUE

The amount of the scholarship will be the least of the following three amounts: (1) the fees or tuition charged by the alternative or private school, (2) the amount of state aid that normally would be provided to the public school district, or (3) \$20,000. The amount will be reduced proportionately if the child is not enrolled in the alternative or private school for the entire school year.

PARTICIPATION

N/A

STUDENT ELIGIBILITY

Parents must apply for eligibility. Their application must certify that they have received the following information from the alternative or private school: (1) methods of instruction to be used with the disabled child; and (2) qualifications of the teachers and instructors who will provide services.

Disabled children must have at least an initial Individualized Education Plan (IEP) from the public school district. Scholarships will not be awarded if the initial IEP is still being developed or is in litigation.

Disabled children who receive scholarships must take tests as prescribed by Ohio law, unless a student is excused under federal law or by an Individualized Education Program (IEP). This testing requirement applies to private schools as well, which must report the testing results to the Ohio Department of Education.

Eligibility for the program is capped at five percent of the disabled children in the state.





Oklahoma

LINDSEY NICOLE HENRY SCHOLARSHIPS FOR STUDENTS WITH DISABILITIES

Enacted 2010 • Launched 2010–11

PROGRAM TYPE

Voucher

SUMMARY

Any student with a disability whose parents are unhappy with his or her assigned public school is eligible to participate in the Lindsey Nicole Henry Scholarships for Students with Disabilities Program.

SCHOLARSHIP/VOUCHER VALUE

The voucher is worth the state and local dollars spent on the child in his or her public school or private school tuition and fees, whichever is less. The average voucher value in 2011–12 is \$7,436.

PARTICIPATION

In 2011–12, 135 students enrolled in 41 schools are participating in the program.

STUDENT ELIGIBILITY

All students with disabilities—those who have Individualized Education Plans (IEPs)—and who have spent the prior year attending a public school in the state are eligible to receive the voucher. After receiving a voucher, the child will continue to receive a voucher each year through high school graduation or until such time as the child would return to a public school.

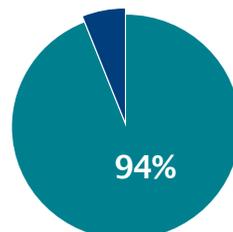
LATEST STATS (2011–12)

Students Participating: 135

Schools Participating: 41

Average Voucher Value: \$7,436

Average Voucher Value as a Percentage of Oklahoma’s Total Per-Student Spending (\$7,915)







Oklahoma

OKLAHOMA EQUAL OPPORTUNITY EDUCATION SCHOLARSHIPS

Enacted 2011 • To be launched 2012-13

PROGRAM TYPE

Tax-Credit Scholarship

SUMMARY

Under the Oklahoma Equal Opportunity Education Scholarship Act, children in families with incomes up to 300 percent of the income needed to qualify for the federal free and reduced-price lunch program will be eligible to receive scholarships. Scholarships go toward paying private school tuition. Scholarship Granting Organizations (SGOs) must spend a portion of their expenditures for low-income students in an amount equal to or greater than the percentage of low-income students in the state.

Eligible students can receive scholarships worth up to the greater of \$5,000 or 80 percent of the average per-pupil expenditures in the school districts where they reside, not to exceed the tuition, fees, and transportation costs of attending a private school. Scholarships for children with special needs may not exceed \$25,000.

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 nonprofits that distribute “educational improvement grants” to public schools.

FAST FACTS

- Students are eligible for scholarships if they come from families with incomes less than 300% of the threshold required to qualify for the federal free and reduced-price lunch program, or if they live in the attendance zone of a “needs improvement” school.
- Scholarships go toward private school tuition and fees, and are worth up to \$5,000 per student or 80% of the average per-pupil expenditures in local public schools, whichever is greater. Students with special needs can receive scholarships worth up to \$25,000 per year.

SCHOLARSHIP/VOUCHER VALUE

For most students, the scholarship value is worth up to \$5,000 or 80 percent of the average per-pupil expenditure in the public school district, whichever is greater. For students with special needs who attended a public school with an Individualized Education Program (IEP), the scholarship value is worth up to \$25,000.

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 overall statewide cap on the program is \$3.5 million per year, because of caps on the individual and corporate tax credits of \$1.75 million per year a piece. 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 \$1,750,000 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.

PARTICIPATION

N/A

STUDENT ELIGIBILITY

Students are eligible for scholarships if they either (1) live in families with incomes up to 300 percent of the level established for the federal free and reduced-price lunch program, or (2) attend or live in the attendance zone of a public school designated as in need of improvement. Once a student has received an educational scholarship, that student and his or her siblings remain eligible until high school graduation or age 21.





Pennsylvania

EDUCATIONAL IMPROVEMENT TAX CREDIT PROGRAM

Enacted 2001 • Launched 2001–02

PROGRAM TYPE

Tax-Credit Scholarship

SUMMARY

The Educational Improvement Tax Credit Program provides a tax credit on the state’s corporate income tax for contributions to Scholarship Organizations (SOs), which give private school scholarships to eligible children, or Educational Improvement Organizations (EIOs), which support innovative programs in public schools. A company may claim a tax credit worth 75 percent of its contribution. Alternatively, if it commits to two consecutive annual contributions, it may claim a tax credit worth 90 percent of its contribution. In either case, the maximum tax credit is \$300,000 in each year that a donation is made. The total of all K–12 tax credits is limited to \$44,466,667 in 2011–12. Credits are awarded to companies on a first-come, first-served basis until the cap is reached. The cap for 2011–12 has already been reached.

SCHOLARSHIP/VOUCHER VALUE

Each SO determines the amount of the scholarships it distributes.

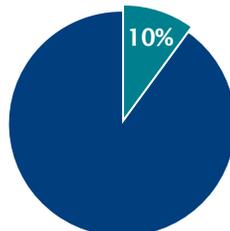
PARTICIPATION

Nearly 41,000 scholarships were awarded in 2010–11. There are 238 active SOs.

LATEST STATS (2010–11)

Students Participating: 40,882
Active Scholarship Organizations: 238
Average Scholarship Value: \$1,165

Average Scholarship Value as a Percentage of Pennsylvania’s Total Per-Student Spending (\$12,115)



STUDENT ELIGIBILITY

Before July 1, 2011, children were eligible for scholarships if their household incomes were less than \$50,000 plus \$10,000 for each child in the family. After July 1, 2011, those figures were raised to \$60,000 and \$12,000, respectively. For example, a family with one child must have an income below \$72,000, whereas a family with three children must have an income below \$96,000. Household income does not include items such as disability payments, workers' compensation, retirement pensions, public assistance, or unemployment compensation. Some SOs have other eligibility criteria.

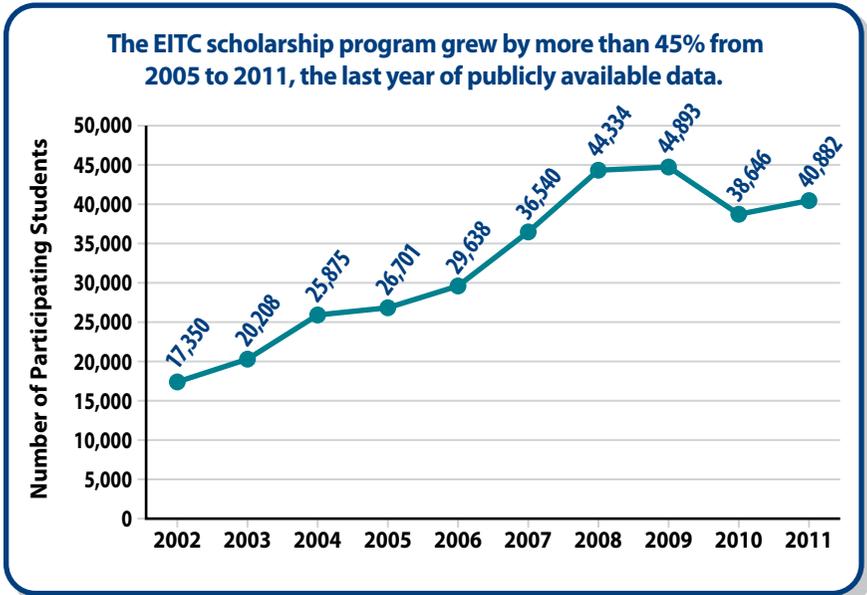


Photo provided by
National School Choice Week



Rhode Island

TAX CREDITS FOR CONTRIBUTIONS TO SCHOLARSHIP ORGANIZATIONS

Enacted 2006 • Launched 2006–07

PROGRAM TYPE

Tax-Credit Scholarship

SUMMARY

Rhode Island provides a credit on corporate income taxes for donations to Scholarship Organizations (SOs), privately run nonprofit organizations that distribute private school scholarships. Corporate taxpayers contributing to SOs may claim a tax credit equal to 75 percent of their contribution, or 90 percent if they donate for two consecutive years and the second year's donation is worth at least 80 percent of the first year's donation.

SCHOLARSHIP/VOUCHER VALUE

Each SO determines the amount of the scholarships it distributes.

PARTICIPATION

The total size of the program statewide is capped at \$1 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 (as is permitted in some states). Most recently, in 2010–11, there were 460 students attending 54 schools, with an average scholarship of \$2,264.

STUDENT ELIGIBILITY

Students must have family incomes at or below 250 percent of the poverty level (\$55,875 for a family of four in 2011).

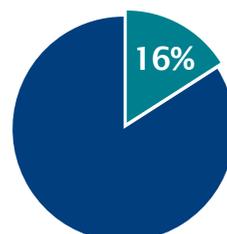
LATEST STATS (2010–11)

Students Participating: 460

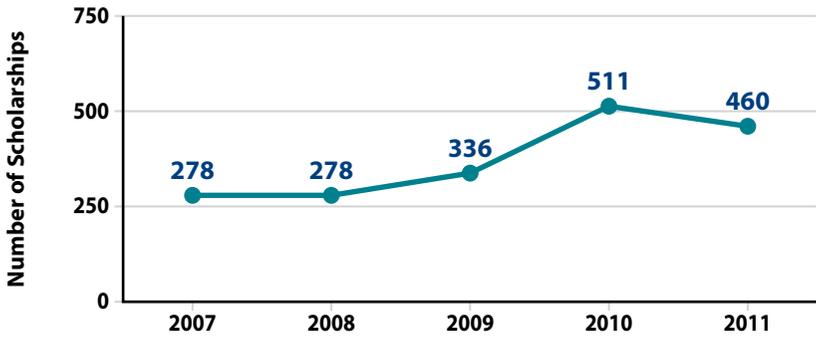
Schools Participating: 54

Average Scholarship Value: \$2,264

Average Scholarship Value as a Percentage of Rhode Island's Total Per-Student Spending (\$14,491)



Rhode Island's program has awarded more than 400 scholarships each of the last two years.





Utah

CARSON SMITH SPECIAL NEEDS SCHOLARSHIP PROGRAM

Enacted 2005 • Launched 2005-06

PROGRAM TYPE

Voucher

SUMMARY

Most Utah students who have a disability are eligible to receive a scholarship to attend a private school. However, participation is limited by the amount of money appropriated to the special needs scholarship program fund. In 2011, this appropriation was extended by an additional \$538,200 in ongoing funds. The program’s total ongoing funding is now approximately \$3.75 million.

SCHOLARSHIP/VOUCHER VALUE

The value of the scholarship is 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 scholarships worth 2.5 times the weighted pupil unit, whereas students receiving fewer than three hours per day get scholarships worth 1.5 times the weighted pupil unit. In 2011, these values worked out to \$6,442.50 and \$3,865.50, while the average voucher in 2011–12 was \$5,374. The scholarship may not exceed the private school’s actual tuition and fees.

PARTICIPATION

In 2011–12, a total of 679 students received scholarships and 40 private schools participated.

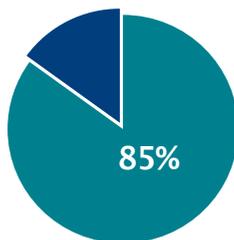
LATEST STATS (2011–12)

Students Participating: 679

Schools Participating: 40

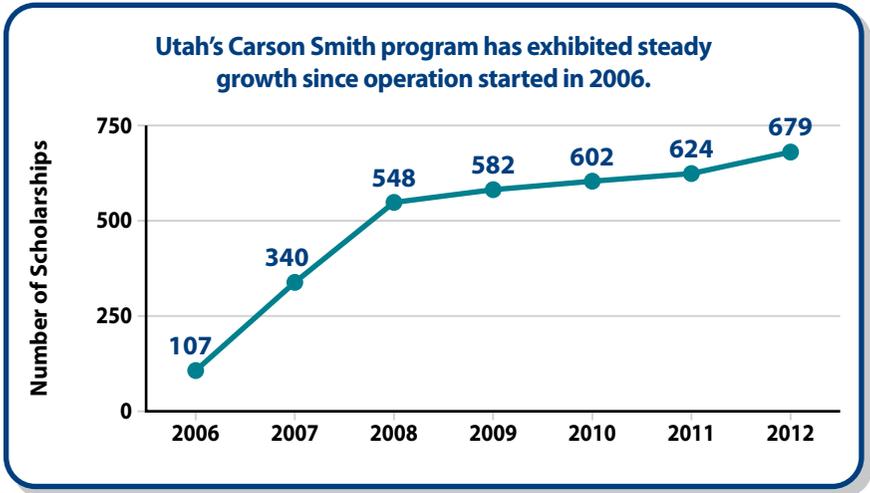
Average Voucher Value: \$5,374

Average Voucher Value as a Percentage of Utah’s Total Per-Student Spending (\$6,314)



STUDENT ELIGIBILITY

Public school students identified as disabled under federal disability-rights law are eligible to receive scholarships, as well as students with disabilities in private schools that served students with disabilities prior to participating in the program. Participation in the program is limited by the amount of money appropriated to fund it each year. Applications in 2010–11 were subject to random lottery.





Vermont

TOWN TUITIONING PROGRAM

Launched 1869

PROGRAM TYPE

Voucher

SUMMARY

Many small towns in Vermont do not operate local high schools, and some do not operate local elementary schools. Students in these 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.

SCHOLARSHIP/VOUCHER VALUE

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 Department 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). This figure is calculated separately for grades K–6, 7–8, and 9–12.

PARTICIPATION

In 2010–11, 6,329 students received school vouchers and 97 towns participated in the program.

STUDENT ELIGIBILITY

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

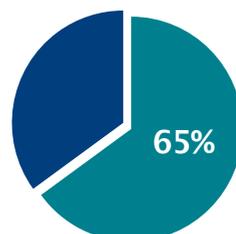
LATEST STATS (2010–11)

Students Participating: 6,329

Towns Participating: 97

Average Voucher Value (2006-07): \$9,773

Average Voucher Value as a Percentage of Vermont’s Total Per-Student Spending (\$15,029)







Wisconsin

MILWAUKEE PARENTAL CHOICE PROGRAM

Launched 1990–91

PROGRAM TYPE

Voucher

SUMMARY

Eligible low-income families in Milwaukee, Wisconsin may send their children to a participating private school of their choice.

New legislation in 2011 significantly increased the number of families and schools eligible to participate in the Milwaukee Parental Choice Program. Now, children from all families earning up to 300 percent of the federal poverty guidelines (e.g., about \$67,000 for a family of four) will qualify to receive school vouchers. The cap on the number of students who can participate will be removed, and as a result, it is estimated that about 84,000 Milwaukee families—or more than 65 percent of all Milwaukee families—will be eligible to participate. Once a student receives a voucher, that student will be able to keep it, regardless of his or her family’s future income. The new rules also stipulate that parents earning between 200 percent and 300 percent of the federal poverty guidelines can add their own funds on top of the voucher, which will give them a wider array of options. Voucher students are now allowed to attend any participating private school in the state.

SCHOLARSHIP/VOUCHER VALUE

The 2009 Wisconsin budget cut the maximum voucher amount from \$6,607 in 2008–09 to \$6,442 in 2009–10 and 2010–11. After 2010–11, the maximum voucher payment will 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.

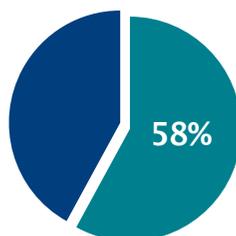
LATEST STATS (2010–11)

Students Participating (2011–12): 23,198

Schools Participating: 102

Average Voucher Value: \$6,442

Average Voucher Value as a Percentage of Wisconsin’s Total Per-Student Spending (\$11,171)

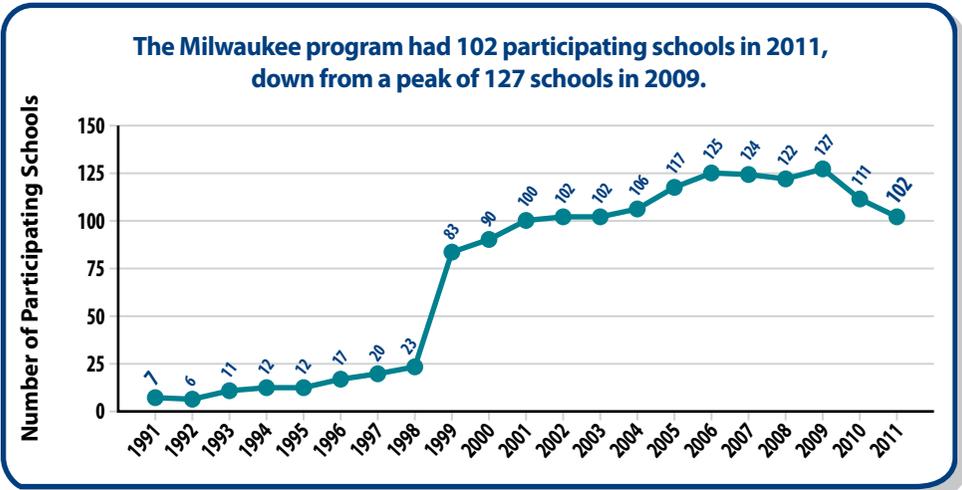
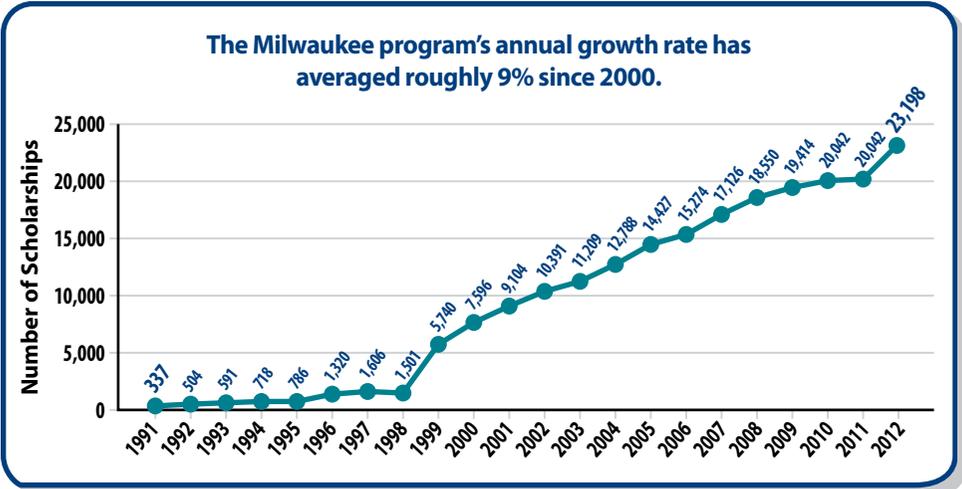


PARTICIPATION

In 2011–12, 23,198 students used vouchers at more than 100 private schools.

STUDENT ELIGIBILITY

Students who live in Milwaukee and whose family income does not exceed 300 percent of the federal poverty level (about \$67,000 for a family of four in 2011) are eligible to receive a voucher. Participating private schools must accept voucher students at random if they have more applicants than open seats, although preference is given to siblings of current participants.





RACINE PARENTAL CHOICE PROGRAM

Enacted 2011 • Launched 2011-12

PROGRAM TYPE

Voucher

SUMMARY

In 2011-12, the Milwaukee Parental Choice Program’s model was implemented in the Racine Unified School District. The exception is a two-year cap on the number of students who can participate. It is estimated that about 11,000 families in Racine will be eligible to participate in the new program. If the program is oversubscribed in the first year, priority will be given to children who qualify for the federal free and reduced-price lunch program.

Unlike Milwaukee’s program, the program in Racine will be 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 traditional K-1 schools and kindergarten schools that specifically serve only four- and five-year-olds. Entering private school ninth graders also will be eligible.

FAST FACTS

- Students are eligible for scholarships if they come from families with income less than 300% of the federal poverty level.
- The program will be limited in the first year to 250 students and in the second year to 500 students. Thereafter, there will be no cap on the number of students who can participate.

SCHOLARSHIP/VOUCHER VALUE

In 2011-12 and 2012-13, the state superintendent will pay private schools the lesser of the following for each voucher student: \$6,442 or the school’s operating and debt service cost per pupil.

In subsequent years, the voucher amount will be the lesser of the following: (1) the school’s operating and debt service cost per pupil, or (2) the amount paid per pupil in the previous school year plus the percentage change in the state’s funding to public schools overall.

PARTICIPATION

In 2011–12, 228 students enrolled in the voucher program.

STUDENT ELIGIBILITY

Students are eligible for scholarships if they live in families with incomes up to 300 percent of the federal poverty level. 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 itself in the previous year, or (4) be entering kindergarten, first grade, or ninth grade.

In the first year of the program, participation is limited to 250 students, and priority is given to students who were eligible for free or reduced-price lunch under the federal program. In the second year, participation is limited to 500 students, and priority is given to students who received vouchers in the first year. In the third year and following, the numerical cap disappears.



*Students at CEO Leadership Academy, WI
Photo provided by the Louisiana Black Alliance for Educational Options*

Data Sources for “School Choice Illustrated” and Program Profiles

We obtained data and other information from the following sources:

Public opinion data aggregated from ten state surveys. See Friedman Foundation for Educational Choice, *K-12 & School Choice Survey Series* (2010-2011).

For a thorough review of school voucher research, see Greg Forster, *A Win-Win Solution: The Empirical Evidence on School Vouchers*, Friedman Foundation for Educational Choice (March 2011).

We used StateScape to compile and code school choice legislation (2008-2011).

For the “per-student spending” data included in the pie charts, see Frank Johnson, Lei Zhou, and Nanae Nakamoto, *Revenues and Expenditures for Public Elementary and Secondary Education: School Year 2008–09 (Fiscal Year 2009)* (NCES 2011-329). U.S. Department of Education. Washington, D.C.: National Center for Education Statistics (June 2011). The value for the scholarship, voucher, or tax credit is based on the most recent data provided by the responsible state agency.

Arizona

Arizona Department of Revenue;
Arizona Department of Education

District of Columbia

Children and Youth Investment Trust
Corporation; Washington Scholarship
Fund

Florida

Florida Department of Education

Georgia

Georgia Department of Education;
Georgia Department of Revenue

Illinois

Illinois Department of Revenue

Indiana

Indiana Department of Education;
Indiana Department of Revenue

Iowa

Iowa Department of Revenue

Louisiana

Louisiana Department of Education;
Louisiana Department of Revenue

Maine

Maine Department of Education

Minnesota

Minnesota Department of Revenue

Ohio

Ohio Department of Education

Oklahoma

Oklahoma Department of Education

Pennsylvania

Pennsylvania Department of Revenue;
Pennsylvania Department of Community
and Economic Development

Rhode Island

Rhode Island Department of Revenue

Utah

Utah Department of Education

Vermont

Vermont Department of Education

Wisconsin

Wisconsin Department of Public
Instruction



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FOR
Educational
Choice

Section 3:
Rules, Legal Information
& State Contacts



Rules & Regulations

| School Voucher Programs | | Income Limit |
|-------------------------|---|----------------|
| CO | Choice Scholarship Pilot Program | None |
| DC | Opportunity Scholarship Program | 100% x FRL |
| FL | John M. McKay Scholarships for Students w/ Disabilities* | None |
| GA | Georgia Special Needs Scholarship Program* | None |
| IN | Choice Scholarship Program | 150% x FRL |
| LA | Student Scholarships for Educational Excellence Program** | 250% x Poverty |
| LA | School Choice Pilot Program for Certain Students w/ Exceptionalities* | None |
| ME | Town Tuitioning Program | None |
| OH | Cleveland Scholarship and Tutoring Program | 200% x Poverty |
| OH | Autism Scholarships* | None |
| OH | Educational Choice Scholarship Program** | None |
| OH | Jon Peterson Special Needs Scholarship Program* | None |
| OK | Lindsey Nicole Henry Scholarships for Students w/ Disabilities* | None |
| UT | Carson Smith Special Needs Scholarship Program* | None |
| VT | Town Tuitioning Program | None |
| WI | Milwaukee Parental Choice Program | 300% x Poverty |
| WI | Racine Parental Choice Program | 300% x Poverty |

*Limited to students with special needs

**Limited to students in failing schools

FRL = Federal Free and Reduced-Price Lunch Program

| Geographic Limit | Enrollment Cap | Voucher Cap | Testing Mandates |
|-----------------------------|----------------|---------------------------------|-------------------|
| District (Douglas) | 500 | \$4,575 | Yes-National |
| District (D.C.) | None | \$8,000 (K-8) / \$12,000 (9-12) | Yes-National |
| Statewide | None | Conditional | None |
| Statewide | None | Conditional | None |
| Statewide | 7,500 (2012) | Conditional | Yes-State |
| Parish (Orleans, Jefferson) | None | Conditional | Yes-State |
| Parish (largest six) | None | Conditional | None |
| District (w/o Elem or HS) | None | \$7,361 (K-8) / \$9,238 (9-12) | Conditional-State |
| District (Cleveland) | None | \$4,250 (K-8) / \$5,000 (9-12) | Yes-State |
| Statewide | None | \$20,000 | None |
| Statewide | 60,000 | \$4,250 (K-8) / \$5,000 (9-12) | Yes-State |
| Statewide | None | \$20,000 | None |
| Statewide | None | Conditional | None |
| Statewide | None | Conditional | Yes |
| District (w/o Elem or HS) | None | Conditional | None |
| District (Milwaukee) | None | \$6,442 | Yes-National |
| District (Racine) | 250 (2012) | \$6,442 | Yes-National |

Tax-Credit Scholarship Programs

Income
Limit

Geographic
Limit

| | | | |
|----|--|-----------------------------|-----------|
| AZ | Personal Tax Credits for STOs | None | Statewide |
| AZ | Corporate Tax Credits for STOs | 185% x FRL | Statewide |
| AZ | Lexie's Law Corporate Tax Credits* | None | Statewide |
| FL | Florida Tax Credit Scholarship Program | 100% x FRL | Statewide |
| GA | Private School Tax Credit for Donations to SSOs | None | Statewide |
| IN | School Scholarship Tax Credit | 200% x FRL | Statewide |
| IA | Scholarship Tuition Organization Tax Credit | 300% x Poverty | Statewide |
| OK | Oklahoma Equal Opportunity Education Scholarships | 300% x FRL | Statewide |
| PA | Educational Improvement Tax Credit Program | \$84,000 (e.g. family of 4) | Statewide |
| RI | Tax Credits for Contributions to Scholarship Organizations | 250% x Poverty | Statewide |

*Limited to students with special needs

FRL = Federal Free and Reduced-Price Lunch Program

Individual Tax Credit/Deduction Programs

Who
Qualifies?

| | | |
|----|--|--------------------------------|
| IL | Tax Credits for Educational Expenses | Public / Private School |
| IN | Tuition Tax Deduction | Private / Home School |
| IA | Education Expense Credit | Public / Private School |
| LA | Elementary and Secondary School Tuition Deduction | Public / Private / Home School |
| MN | K-12 Education Subtraction and K-12 Education Credit | Public / Private School |
| NC | Tax Credits for Children with Disabilities* | Private / Home School |

*Limited to students with special needs

| Enrollment Cap | Scholarship Cap | Testing Mandates | Credit Value | Credit Cap | Program Cap |
|----------------|-----------------|------------------|--------------|------------|----------------|
| None | Full Tuition | None | 100% | Yes | None |
| None | None | Yes-National | 100% | None | Escalator |
| None | Full Tuition | None | 100% | None | \$5 million |
| None | \$4,106 | Yes-National | 100% | None | Escalator |
| None | Full Tuition | None | 100% | Yes | Escalator |
| None | Full Tuition | Yes-National | 50% | None | \$5 million |
| None | Full Tuition | None | 65% | None | \$8.75 million |
| None | Conditional | None | 50% | Yes | \$3.5 million |
| None | Full Tuition | None | 75% / 90% | Yes | \$44.5 million |
| None | None | None | 75% / 90% | Yes | \$1 million |

| Income Limit | Geographic Limit | Enrollment Cap | Individual Credit/Deduction Cap |
|--------------------|------------------|----------------|---------------------------------|
| None | Statewide | None | C=\$500 |
| None | Statewide | None | D=\$1,000 |
| None | Statewide | None | C=\$250 |
| None | Statewide | None | D=\$5,000 |
| D=None; C=\$37,500 | Statewide | None | D=\$1,625 / \$2,500; C=\$1,000 |
| None | Statewide | None | C=\$6,000 |



Legal Developments

The U.S. Supreme Court declared vouchers and tax-credit scholarships constitutional (*Zelman* 2002, *Winn* 2011). These rulings have not deterred legal challenges to parents and programs in state courts.

Arizona | Personal Tax Credits for School Tuition Organizations

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 | Corporate Tax Credits for School Tuition Organizations

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's School Boards Association, Education Association, and Association of School Business Officials sued in state court to block this new law. In *Niehaus v. Huppenthal* (CV2011-017911), the Superior Court of Arizona, Maricopa County, found this program to be constitutional because it allows the parents of qualified students to choose how and when all, or a portion of, the scholarship monies are spent. A plaintiff's appeal is expected.

Colorado | Choice Scholarship Pilot Program

March 16, 2011, the Douglas County Public School Board unanimously approved the Choice Scholarship Pilot Program. This voucher program has been challenged in state court and is currently enjoined, which has been appealed. *LaRue v. Colorado*, District Court, City and County of Denver, Colorado, Case No.: 11cv4424

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, *Meredith v. Daniels*, No. 49D07-1107-PL-025402 (Super. Ct. Ind. Aug. 15, 2011). The trial court issued a summary judgment on January 13, 2012, in favor of the program. An appeal is expected.

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 | K-12 Education Subtraction and K-12 Education Credit

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.

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

Parents who accessed vouchers for their children with special needs in the Jenks and Union school districts were sued directly by those public school corporations. The case is proceeding in Oklahoma’s state court system, originating in Tulsa. *Jenks Public Schools v. Spry*, District Court of Tulsa County, CV 2011-00890

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 may be found at the Institute for Justice, www.IJ.org.

State Resources & Contacts

Interested in learning more about school choice potential in your state?
Here is a list of state-based organizations advocating for educational options.

| | |
|----------------------|--|
| Alabama | Alabama Policy Institute: www.alabamapolicy.org |
| Alaska | Alaskans for Choice in Education: www.akchoice.org |
| Arizona | Arizona School Tuition Organization Association: www.astroa.com |
| Arkansas | Arkansas Policy Foundation: www.arkansaspolicyfoundation.org |
| California | Pacific Research Institute: www.pacificresearch.org |
| Colorado | Independence Institute: www.i2i.org |
| Connecticut | Yankee Institute: www.yankeeinstitute.org |
| Delaware | Caesar Rodney Institute: www.caesarrodney.org |
| D.C. | D.C. Children & Youth Investment Trust Corporation: www.cyitc.org |
| Florida | Step Up for Students: www.stepupforstudents.org |
| Georgia | Center for an Educated Georgia: www.educatedgeorgia.org |
| Hawaii | Hawaii Families for Educational Choice: www.hawaiiedchoice.org |
| Idaho | Idaho Freedom Foundation: www.idahofreedom.net |
| Illinois | Freedom to Learn Illinois: www.freedom-to-learn.org |
| Indiana | School Choice Indiana: www.schoolchoiceindiana.org |
| Iowa | Iowa Alliance for Choice in Education: www.iowaace.org |
| Kansas | Kansas Policy Institute: www.kansaspolicy.org |
| Kentucky | Bluegrass Institute: www.bipps.org |
| Louisiana | Louisiana BAEO: www.louisiana.baeo.org |
| Maine | Maine Heritage Policy Center: www.mainepolicy.org |
| Maryland | BOAST: www.boastmaryland.org |
| Massachusetts | Pioneer Institute: www.pioneerinstitute.org |
| Michigan | Mackinac Center for Public Policy: www.mackinac.org |

| | |
|-----------------------|---|
| Minnesota | Minnesota Independent School Forum: www.misf.org |
| Mississippi | Mississippi Center for Public Policy: www.msppolicy.org |
| Missouri | Show-Me Institute: www.showmeinstitute.org |
| Montana | Montana Family Foundation: www.montanafamily.org |
| Nebraska | Platte Institute for Economic Research: www.platteinstitute.org |
| Nevada | Nevada Policy Research Institute: www.npri.org |
| New Jersey | Excellent Education for Everyone: www.nje3.org |
| New Mexico | Rio Grande Foundation: www.riograndefoundation.org |
| New York | Children’s Scholarship Fund: www.scholarshipfund.org |
| North Carolina | Parents for Educational Freedom in North Carolina: www.pefnc.org |
| North Dakota | North Dakota Policy Council: www.policynd.org |
| Ohio | School Choice Ohio: www.schoio.org |
| Oklahoma | Oklahoma Council of Public Affairs: www.ocpathink.org |
| Oregon | Cascade Policy Institute: www.cascadepolicy.org |
| Pennsylvania | REACH Foundation: www.paschoolchoice.org |
| Rhode Island | Rhode Island Scholarship Alliance: www.rischolarshipalliance.org |
| South Carolina | South Carolinians for Responsible Government: www.scrfoundation.org |
| South Dakota | Great Plains Public Policy Institute: www.greatplainsppi.org |
| Tennessee | Beacon Center of Tennessee: www.beaontn.org |
| Texas | Texas Public Policy Foundation: www.texaspolicy.com |
| Utah | Parents for Choice in Education: www.choiceineducation.org |
| Vermont | Vermonters for Better Education: www.schoolreport.com |
| Virginia | Thomas Jefferson Institute: www.thomasjeffersoninst.org |
| Washington | Freedom Foundation: www.myfreedomfoundation.com |
| West Virginia | West Virginians for Education Reform: www.wvedreform.com |
| Wisconsin | School Choice Wisconsin: www.schoolchoicewi.org |
| Wyoming | Wyoming Liberty Group: www.wyliberty.org |

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