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September 21, 2000

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Study Says California Plan Would Aid Affluent

By JODI WILGOREN

A school voucher initiative on the California ballot this fall would, once fully implemented, give at least \$2.6 billion in taxpayer money to families — most of them affluent — whose children already attend private schools, according to an academic study released today.

The initiative, Proposition 38, would make all the state's students eligible for a \$4,000 voucher that could be used to defray private-school tuition. While the measure is intended, in part, to help low-income parents flee failing schools, the report by Policy Analysis for California Education — a collaboration of professors at Stanford University and University of California at Berkeley — suggests that the primary beneficiaries may be wealthy private-school students. Even some voucher advocates have criticized the initiative for not limiting the vouchers to impoverished families or struggling schools.

"This does not expand choice to more families," said Luis Huerta, a co-author of the report. "It's essentially tax relief for the well off."

While the voucher costs less than the \$6,313 California spends to educate each public-school student, private-school enrollment would have to more than double to 1.5 million before the state would break even on the initiative — that is, before the money saved by students leaving the system would make up for the vouchers given to children already in private school. Current private schools report only 32,000 vacant seats, though more schools would probably be created if the initiative passed.

The report said, "It's likely that the most disadvantaged children — those from low-income families with minimally educated parents — would be the ones left behind in mediocre public schools."

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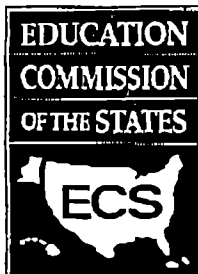
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Clearinghouse Notes

CHOICE

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CHOICE OF SCHOOLS: STATE ACTIONS

Parental choice of schools is one of today's most discussed public education issues. "Choice" as a descriptor takes on several meanings. Narrow use of the word (e.g., assuming that choice equals only open enrollment or vouchers) often confuses the debate. In this document, the Education Commission of the States (ECS) uses "choice" as a broad descriptor covering many different ideas, including:

Charter schools:

- Charter schools are semi-autonomous public schools, founded by educators, parents, community groups or private organizations that operate under a written contract with a state, district or other entity. This contract, or charter, details how the school will be organized and managed, what students will be taught and expected to achieve, and how success will be measured. Many charter schools enjoy freedom from rules and regulations affecting other public schools, as long as they continue to meet terms of their charters. Charter schools can be closed for failing to satisfy these terms.

Open enrollment:

- "Interdistrict" open enrollment programs allow choice of public schools across and within district boundaries.
- "Intradistrict" open enrollment programs allow choice of public schools within district boundaries.
- "Mandatory" open enrollment programs require districts within a state to participate in the program, given that space is available in the district.
- "Voluntary" open enrollment programs allow districts to choose whether to participate, given that space is available in the district.

Publicly funded vouchers:

- A publicly funded voucher is a payment the government makes to a parent, or an institution on a parent's behalf, to be used for a child's education expenses.

Tax credits:

- A tax credit provides direct reductions to an individual's tax liability. For example, Jack owes \$1,000 in income taxes. He is eligible, however, for a given state's \$500 tax credit. He subtracts the \$500 tax credit from the \$1,000 tax liability, and now owes \$500 in income taxes.

Tax deductions:

- A tax deduction is a reduction in taxable income made prior to the calculation of tax liability. For instance, Jill has a taxable income of \$100,000. She, however, is eligible for a given state's \$1,500 tax deduction. She subtracts the \$1,500 from her income of \$100,000, and now has \$98,500 in taxable income.

Postsecondary enrollment:

- Postsecondary enrollment programs allow secondary school students to enroll in postsecondary courses and apply course credit at the secondary school, a postsecondary institution or both.
- "Comprehensive" postsecondary enrollment programs allow students to enroll in postsecondary courses at minimal or no cost, permit course credit to be applied at both the high school and postsecondary institutions and contain few restrictions on eligible courses for student enrollment.
- "Limited" postsecondary enrollment programs restrict which students can participate, require students to pay tuition costs of postsecondary classes, restrict where course credit may be applied and/or contain stringent criteria on eligible courses for student enrollment.

State	Charter School Law ¹	Number of Charter Schools ²	Open Enrollment Law ³	Publicly Funded Voucher Law ⁴	Tax Credit/Tax Deduction Law ⁵	Postsecondary Enrollment Options Law ⁶
Alabama	-	-	-	-	-	-
Alaska	X	18	-	-	-	X (Comprehensive)
Arizona	X	348	X (Interdistrict/Mandatory)	-	\$500 and \$200 (income tax credits) ⁷	X (Limited)
Arkansas	X	0	X (Interdistrict/Mandatory)	-	-	X (Limited)
California	X	234	X (Interdistrict/Voluntary)	-	-	X (Limited)
Colorado	X	68	X (Interdistrict/Mandatory)	-	-	X (Comprehensive)
Connecticut	X	17	X (Interdistrict/Mandatory) ⁸	-	-	-
Delaware	X	5	X (Interdistrict/Mandatory)	-	-	-
District of Columbia	X	28	-	-	-	-
Florida	X	112	X (Interdistrict/Voluntary)	X ⁹	-	X (Comprehensive)
Georgia	X	32	-	-	-	X (Comprehensive)
Hawaii	X	2	-	-	-	-
Idaho	X	8	X (Interdistrict/Mandatory)	-	-	X (Comprehensive)
Illinois	X	19	-	-	X ¹⁰	-
Indiana	-	-	X (Intradistrict/Mandatory ¹¹ and Interdistrict/Voluntary)	-	-	X (Limited)
Iowa	-	-	X (Interdistrict/Mandatory)	-	\$250 (income tax credit)	X (Limited)
Kansas	X	15	-	-	-	X (Limited)
Kentucky	-	-	-	-	-	-
Louisiana	X	17	X (Interdistrict/Voluntary)	-	-	X (Limited)
Maine	-	-	X (Interdistrict/Voluntary)	X ¹²	-	X (Comprehensive)
Maryland	-	-	-	-	-	-
Massachusetts	X	39	X (Interdistrict/Voluntary)	-	-	X (Comprehensive)
Michigan	X	175	X (Interdistrict/Mandatory)	-	-	X (Comprehensive)
Minnesota	X	57	X (Interdistrict/Mandatory)	-	\$1,000 - \$2,000 (income tax credits) ¹³ \$1,625 - \$2,500 (income tax deductions) ¹⁴	X (Comprehensive)
Mississippi	X	1	-	-	-	X (Limited)
Missouri	X	14	X (Interdistrict/Voluntary)	-	-	X (Comprehensive)
Montana	-	-	-	-	-	-
Nebraska	-	-	X (Interdistrict/Mandatory)	-	-	-
Nevada	X	5	-	-	-	X (Limited)
New Hampshire	X	0	X (Interdistrict/Voluntary)	-	-	-
New Jersey	X	52	X (Interdistrict/Voluntary)	-	-	X (Comprehensive)
New Mexico	X	3	X (Interdistrict/Voluntary)	-	-	-
New York	X	3	X (Interdistrict/Voluntary)	-	-	-
North Carolina	X	83	-	-	-	-

State	Charter School Law ¹	Number of Charter Schools ²	Open Enrollment Law ³	Publicly Funded Voucher Law ⁴	Tax Credit/Tax Deduction Law ⁵	Postsecondary Enrollment Options Law ⁶
North Dakota	-	-	X (Interdistrict/Mandatory)	-	-	X (Limited)
Ohio	X	48	X (Interdistrict/Voluntary)	X ¹⁵	-	X (Comprehensive)
Oklahoma	X	0	X (Interdistrict/Mandatory)	-	-	X (Limited)
Oregon	X	1	-	-	-	X (Comprehensive)
Pennsylvania	X	45	-	-	-	
Puerto Rico	X	NA ¹⁶	X (Interdistrict/Mandatory)	-	\$250 and \$500 (income tax credits) ¹⁷	X (Limited)
Rhode Island	X	2	-	-	-	-
South Carolina	X	10	-	-	-	-
South Dakota	-	-	X (Interdistrict/Mandatory)	-	-	X (Limited)
Tennessee	-	-	X (Interdistrict/Mandatory)	-	-	X (Limited)
Texas	X	168	X (Interdistrict/Voluntary)	-	-	-
Utah	X	8	X (Interdistrict/Mandatory)	-	-	X (Comprehensive)
Vermont	-	-	-	X ¹⁸	-	-
Virginia	X	0	-	-	-	-
Washington	-	-	X (Interdistrict/Mandatory)	-	-	X (Comprehensive)
West Virginia	-	-	X (Intradistrict/Mandatory)	-	-	-
Wisconsin	X	45	X (Interdistrict/Mandatory)	X ¹⁹	-	X (Comprehensive)
Wyoming	X	0	X (Interdistrict/Voluntary)	-	-	X (Comprehensive)

NOTES

- 1 States with charter school laws as of March 2000.
- 2 Number of charter schools in operation or approved to open in each state as of August 1999. The total number is 1,682. [Source: The Center For Education Reform at www.edreform.com]
- 3 Most states have enacted laws that accommodate the attendance needs of students. In this *Clearinghouse Note*, however, we have only included those states with laws as of March 2000 that encourage and support enrollment in public schools of choice.
- 4 States with publicly funded voucher laws as of March 2000.
- 5 States that provide for income tax credits and/or income tax deductions for various education-related expenses as of March 2000.
- 6 States that allow secondary school students to enroll in postsecondary courses and apply course credit at the secondary school, a postsecondary institution or both as of March 2000.
- 7 Arizona law allows residents to claim an income tax credit of \$500 for their donations to charitable organizations providing scholarships to children to attend private or religious school. The law also allows residents to claim an income tax credit for up to \$200 of activity fees at Arizona public schools. Arizona's tax credit law was challenged in court. In January 1999, the Arizona Supreme Court ruled that the law does not violate state and federal constitutional prohibitions against government aid to religion. This decision was appealed to the U.S. Supreme Court. In October 1999, the U.S. Supreme Court declined to review the case, thus allowing the Arizona Supreme Court's ruling that the program is constitutional to stand.
- 8 In the 1998-1999 school year, Connecticut began phasing in an open enrollment program. By the 2001-2002 school year, the program shall be in operation in every priority school district in the state, as well as in those school districts in the area of a priority school district as determined by the regional educational service center.

- 9 In 1999, Florida lawmakers passed the first statewide voucher program in the nation. Under the enacted legislation, each public school will receive a grade from A to F. Top-performing and improving schools will receive additional state funding. In F-graded schools, students will be able to move to a higher-scoring public school or attend a private or parochial school with an opportunity scholarship worth at least \$4,000. At first, the opportunity scholarships will be limited to students in no more than four schools. It is projected, however, that these scholarships may be extended to students in up to 170 public schools within the next two years. The private and parochial schools that accept these students will not be able to collect additional tuition and will be barred from requiring them to participate in religious instruction, prayer or worship. Florida's voucher program is being challenged in court.
- 10 In 1999, Illinois lawmakers enacted legislation granting tax credits to parents of children in public, private or parochial schools. Under the law, parents may reduce their state income tax bill by 25% of whatever they spend for their children's tuition, books and lab fees. In order to be eligible for the tax credit, parents must spend at least \$250, and the tax credit may not exceed \$500 per family. A court challenge is likely to occur.
- 11 Indiana law requires the Indianapolis school district to offer a parental choice program that allows parents the opportunity to choose the school within the school district that the parents' child will attend.
- 12 If no public school exists to serve secondary school students, Maine allows districts to send students to private schools and pay their tuition. In Maine, a U.S. District Court judge, the Supreme Judicial Court of Maine and the U.S. Court of Appeals for the 1st Circuit, in two different cases, ruled that the state's exclusion of parochial schools from the program is constitutional. The U.S. District Court judge issued his ruling in August 1998. The Maine Supreme Judicial Court issued its ruling in April 1999, and the U.S. Court of Appeals for the 1st Circuit upheld this ruling in May 1999. The U.S. Supreme Court, in October 1999, declined to review both cases, thus allowing the lower courts' rulings to stand.
- 13 Minnesota law permits a refundable tax credit of up to \$1,000 per student or \$2,000 per family for families with incomes under \$33,500. The maximum credit per child is reduced by \$1.00 for each \$4.00 of household income over \$33,500, and the maximum credit per family is reduced by \$2.00 for each \$4.00 of household income over \$33,500, but in no case is the credit less than zero. No credit is allowed for education-related expenses for claimants with income greater than \$37,500. Eligible education expenses include textbooks, transportation, computer hardware and education software costs up to \$200, summer camps and summer school. It does not cover the cost of tuition.
- 14 Minnesota law permits families to take a tax deduction for school expenses, even if their children attend a private or parochial school. The tax deduction ranges from \$1,625 per child in kindergarten through 6th grades to \$2,500 per child in 7th through 12th grades. Deductible expenses include tuition, textbooks, transportation, academic summer camps, summer school and personal computer and education software costs up to \$200.
- 15 In 1995, Ohio policymakers created a pilot scholarship/voucher program in Cleveland. As of the 1998-99 school year, 3,678 students in grades K-5 were using vouchers of up to \$2,500 for tuition at a private, public or religious school of their choice, although up to 4,000 are allowed to participate. Ohio's program was challenged in court. In May 1999, the Ohio Supreme Court ruled that the Cleveland program was unconstitutional, but only on a technical issue. According to the court, the program was improperly enacted by the legislature, when it approved the original voucher legislation as part of a 1,000-page general appropriations bill in 1995. According to the court, this action violated a provision in the state constitution that requires each bill to address only one subject. The court, however, also stated that the program did not breach the separation of church and state in either Ohio or federal law. As a result, Ohio policymakers passed legislation in June 1999 that reinstates the voucher program and expands it to grade 6 in September 1999 and to grade 7 in September 2000. In this instance, the program was enacted as part of the state's education budget, as opposed to the state's general appropriations bill. Ohio's reinstated voucher program is being challenged in court.
- 16 The number of charter schools in Puerto Rico was not available.
- 17 In 1995, Puerto Rico policymakers established the "Educational Foundation for the Free Selection of Schools, Inc.," a nonprofit corporation that provides financial aid for elementary and high school students in public or private schools. The program includes the following provisions: the annual income of a student's family cannot exceed \$18,000; the amount of education financial aid shall not exceed \$1,500 per student; the funds necessary to provide the aid come from donations by individuals or private institutions; individual and institutional donors are eligible for a tax credit for their donations to the Educational Foundation; the amount of the credit cannot exceed \$250 for individual taxpayers or \$500

for corporations and partnerships; the amount of donations in excess of the credit can be used as a tax deduction; and participating schools must be licensed by the General Council of Education and have an admission policy free of discrimination.

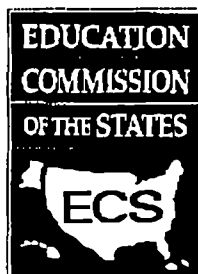
- 18 Vermont students who reside in towns without public schools may attend public or approved independent private secondary schools selected by their parents and located either within or outside of Vermont. Their hometown school board must pay the full tuition charged by a public school, but private schools receive only an amount equal to the average tuition charged by the state's high school districts. If a selected private school charges more than this amount for tuition, the school district may pay the greater amount, but it is not required to do so. If the school district chooses to pay the lesser of the two amounts, parents must cover the difference. In 1996, the town of Chittenden, Vermont agreed to pay the tuition for about a dozen families who send their children to parochial school. This action was challenged in court. In June 1999, the Vermont Supreme Court ruled that Chittenden's efforts are unconstitutional. According to the court, Chittenden's efforts violate the clause of the Vermont constitution that prohibits "compelled support" of places of religious worship. This decision was appealed to the U.S. Supreme Court. In December 1999, the U.S. Supreme Court declined to review the case, thus allowing the Vermont Supreme Court's ruling to stand.
- 19 Wisconsin policymakers approved the Milwaukee Parental Choice Program in 1990, and last amended it in 1995. As of the 1999-2000 school year, approximately 8,000 students are attending private and parochial schools through the program. The amount of the voucher is the lesser of two numbers: either a nonpublic school's operating costs (or tuition) or the state's per-pupil schools aid to Milwaukee Public Schools. In June 1998, the Wisconsin Supreme Court ruled that the program is constitutional. This decision was appealed to the U.S. Supreme Court. In November 1998, the U.S. Supreme Court declined to review the case, thus allowing the Wisconsin Supreme Court's ruling to stand.

This *Clearinghouse Note* was compiled by Todd Ziebarth, ECS policy analyst, with financial support from the Joyce Foundation.

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Policy Brief

VOUCHERS

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VOUCHERS, TAX CREDITS AND TAX DEDUCTIONS

Introduction

Parental choice of schools is one of today's more controversial education issues. The term "choice" encompasses a range of options, including home schools, magnet schools, interdistrict and intradistrict transfer programs, postsecondary enrollment programs, charter schools, vouchers, tax credits and tax deductions. Probably the most contentious school choice option is the use of public money in private and parochial schools, usually through a voucher, tax credit or tax deduction. For some, these options threaten the very existence of the public education system. For others, these options provide greater educational opportunities for students and, by introducing competition into the system, improve the public education system's performance.

Whatever one's position on vouchers, tax credits and tax deductions, it is clear that these options merit continued scrutiny, especially given that recent survey data show that public support for the use of tax dollars for private or parochial education has grown over the past few years. In fact, a 1998 Gallup poll found that a majority of all adults, for the first time, would support partial government payment of tuition at private or parochial schools. In an effort to provide such scrutiny, this policy brief defines the terms of the debate, provides public and private examples, presents opposing views, reviews the effects of vouchers, tax credits, and tax deductions and offers key questions.

Definitions

- A publicly funded voucher is a payment the government makes to a parent, or an institution on a parent's behalf, to be used for a child's education expenses.
- A privately funded voucher is a payment that a private organization makes to a parent, or an institution on a parent's behalf, to be used for a child's education expenses.
- A tax credit provides direct reductions to an individual's tax liability. For example, Jack owes \$1,000 in income taxes. He is eligible, however, for a given state's \$500 tax credit. He subtracts the \$500 tax credit from the \$1,000 tax liability, and now owes \$500 in income taxes.
- A tax deduction is a reduction in taxable income made prior to the calculation of tax liability. For instance, Jill has a taxable income of \$100,000. She, however, is eligible for a given state's \$1,500 tax deduction. She subtracts the \$1,500 from her income of \$100,000, and now has \$98,500 in taxable income.

Public Examples

The following states and territories have either voucher, tax credit or tax deduction programs: Arizona, Florida, Illinois, Iowa, Minnesota, Ohio, Puerto Rico and Wisconsin. In addition, Vermont and Maine have long-standing variants of a voucher program. Several other states have recently presented legislative proposals to provide tax breaks for K-12 education costs, and voucher bills have been recently debated in several legislatures. No state ballot initiative concerning vouchers, tax credits or tax deductions has passed to date.

Arizona (enacted in 1997)

In 1997, Arizona policymakers established two nonrefundable individual income tax credits. As provided by Arizona policymakers:

- Taxpayers may claim a tax credit of up to \$500 for a cash contribution of up to \$500 to a nonprofit organization that distributes scholarships or tuition grants to private and parochial schools which do not discriminate on the basis of several characteristics. This contribution cannot directly benefit the taxpayer's own child, and tuition organizations cannot designate the money to benefit students of only one private or parochial school.
- Taxpayers may claim a tax credit of up to \$200 as reimbursement for fees paid to a public school for extracurricular activities (i.e., school-sponsored activities that require enrolled students to pay a fee to participate, including fees for band uniforms or equipment, uniforms for varsity athletic activities and scientific laboratory materials).

If the amount of the tax credit exceeds the amount of tax liability, then the taxpayer may carry the unused amount of the tax credit forward for up to five consecutive taxable years. For example, John makes a cash contribution of \$500 to an eligible nonprofit organization and is thus eligible for a \$500 tax credit. Because he owes only \$300 in taxes in 1999, he may carry the remaining \$200 forward until 2004 to offset his future tax liability.

Arizona's tax credit law was challenged in court. In January 1999, the Arizona Supreme Court ruled that the law does not violate state and federal constitutional prohibitions against government aid to religion. This decision was appealed to the U.S. Supreme Court. In October 1999, the U.S. Supreme Court declined to review the case, thus allowing the Arizona Supreme Court's ruling that the program is constitutional to stand.

Florida (enacted in 1999)

Florida lawmakers passed the first statewide voucher program in the nation during their 1999 session. Under the enacted legislation, each public school will receive a grade, from A to F. Top-performing and improving schools will receive additional state funding. In F-graded schools, students will be able to move to a higher-scoring public school or attend a private or parochial school with an opportunity scholarship worth at least \$4,000.

At first, the opportunity scholarships will be limited to students in no more than four schools. However, it is projected that these scholarships may be extended to students in up to 170 public schools within the next two years. The private and parochial schools that accept these students are prohibited from collecting additional tuition, and are barred from requiring these students to participate in religious instruction, prayer or worship. Florida's voucher program is being challenged in court.

Illinois (enacted in 1999)

In their 1999 session, Illinois lawmakers enacted legislation granting tax credits to parents of children in public, private or parochial schools. Under the law, parents may reduce their state income tax bill by 25 percent of whatever they spend for their children's tuition, books and lab fees. In order to be eligible for the tax credit, parents must spend at least \$250, and the tax credit may not exceed \$500 per family. Illinois' tax credit program is being challenged in court.

Iowa (enacted in 1987; last amended in 1998)

In 1987, Iowa policymakers enacted a law that allowed parents to claim a tax deduction of up to \$1,000 for each dependent's acceptable education expenses, which were defined as tuition and textbooks (excluding the costs of religious materials and extracurricular activities). Taxpayers who did not itemize their deductions could take the benefit in the form of a tax credit equal to 5% of the first \$1,000 paid for each dependent's acceptable education expenses. Neither the deduction nor the credit applied to taxpayers whose net income was more than \$45,000.

Since that time, Iowa policymakers have eliminated the tax deduction, and have revised the tax credit provision, most recently in 1998. As a result of the most recent revisions, parents are allowed to claim a tax credit of up to 25% of the first \$1,000 for each dependent's acceptable education expenses, which now include public school extracurricular activities. In addition, the most recent revisions removed the \$45,000 income ceiling on eligible taxpayers.

Iowa's initial program was challenged in court. In 1992, a U.S. District Court judge ruled the tax deductions and credits for parents who send their children to private and parochial schools do not violate the federal constitution's ban on government establishment of religion. The program, the court said, "does not create any kind of direct aid to parochial schools, nor does it create any kind of relationship between the state government and the parochial schools. The sole relationship is between the state and its taxpayers."

Minnesota (enacted in 1955; major amendments enacted in 1976 and 1984; last amended in 1999)

In 1955, Minnesota policymakers enacted a law that allowed parents to claim a tax deduction of up to \$200 for tuition and other school expenses. Over the years, Minnesota lawmakers have enacted a variety of changes to this law. For example, in 1976, the maximum deduction was raised to \$500 per child for elementary school expenses and \$700 per child for secondary school expenses. In 1984, the maximum deduction was again raised, this time to \$650 for elementary school expenses and \$1,000 for secondary school expenses.

The most recent changes were enacted in 1997, during a special session held at the governor's insistence, and in 1999. Based on these changes, Minnesota law permits:

- A tax deduction worth up to \$1,625 for elementary school expenses and up to \$2,500 for secondary school expenses. The types of expenses that the deduction covers includes tuition, textbooks, transportation, academic summer camps, summer school and up to \$200 of the cost of a personal computer and education software. The deduction is available to persons who do not itemize deductions on their federal income tax form.
- A refundable tax credit worth up to \$1,000 per student or \$2,000 per family for families with incomes under \$33,500. The maximum credit per child is reduced by \$1.00 for each \$4.00 of household income over \$33,500, and the maximum credit per family is reduced by \$2.00 for each \$4.00 of household income over \$33,500, but in no case is the credit less than zero. No credit is allowed for education-related expenses for claimants with income greater than \$37,500. Eligible education expenses include textbooks, transportation, computer hardware and education software costs up to \$200, summer camps and summer school. It does not cover the cost of tuition. If a family owes no taxes or owes less than the amount of the credit, they receive the difference as a refund. Expenses that exceed the credit amount may be used for the deduction.

Minnesota's original tax deduction program was challenged in court. In 1983, the U.S. Supreme Court ruled the program was constitutional. According to the court, the programs had the secular purposes of ensuring that Minnesota's citizenry is well-educated and that private and parochial schools' financial health remains sound, did not primarily advance sectarian aims of parochial schools and did not excessively entangle the state in religion.

Ohio (enacted in 1995; last amended in 1999)

In 1995, Ohio policymakers created a pilot scholarship and tutoring program in Cleveland. The program includes the following provisions:

- The amount of the scholarship is the lesser of two numbers: the public, private or parochial school's tuition or a state-established amount not in excess of \$2,500.
- Students whose family income is below 200% of the maximum level established by the state superintendent of public instruction for low-income families qualify for 90% of the scholarship amount. Students whose family income is at or above 200% of that level qualify for 75% of the scholarship amount.
- Students may use the vouchers at the public, private or parochial school of their choice.
- Once a student enrolls in the program, he or she may remain in it through the 8th grade.
- Participating schools must register with the state superintendent of public instruction.
- No more than 25% of the scholarships can be awarded to students enrolled in a private or parochial school at the time they apply for a scholarship, although the enabling legislation allows that proportion to rise to 50%.

As of the 1998-1999 school year, 3,678 students in grades K-5 were participating in the program, although up to 4,000 are allowed to participate.

Ohio's program was challenged in court. In May 1999, the Ohio Supreme Court ruled that the Cleveland program was unconstitutional, but only on a technical issue. According to the court, the program was improperly enacted by the legislature, when it approved the original voucher legislation as part of a 1,000-page general appropriations bill in 1995. According to the court, this action violated a provision in the state constitution that requires each bill to address only one subject. The court, however, also stated that the program did not breach the separation of church and state in either Ohio or federal law.

As a result, Ohio policymakers passed legislation in June 1999 that reinstates the voucher program, and expands it to grade 6 in September 1999 and to grade 7 in September 2000. In this instance, the program was enacted as part of the state's education budget, as opposed to the state's general appropriations bill. Ohio's reinstated voucher program is being challenged in court.

Puerto Rico (enacted in 1993; last amended in 1995)

In 1993, Puerto Rico policymakers enacted a pilot voucher program. The \$10 million project enabled parents with annual incomes of less than \$18,000 to receive vouchers for up to \$1,500 toward tuition at the public, private or parochial school of their choice.

The Puerto Rico program was challenged in court. In 1994, the Puerto Rico Supreme Court ruled the pilot voucher program was unconstitutional. Because the decision was based solely on Puerto Rico's constitution, the case was not appealed to the U.S. Supreme Court. The program continues to operate, but students can move only to other public schools, meaning the voucher program has essentially become the equivalent of a public school open enrollment program.

In 1995, Puerto Rico policymakers established the "Educational Foundation for the Free Selection of Schools, Inc.," a nonprofit corporation which provides financial aid for elementary and high school students in public, private or parochial schools. The program includes the following provisions:

- The annual income of a student's family cannot exceed \$18,000.
- The amount of education financial aid cannot exceed \$1,500 per student.
- The funds necessary to provide the aid come from donations by individuals or private institutions.
- Individual and institutional donors are eligible for a tax credit for their donations to the Educational Foundation. The amount of the credit cannot exceed \$250 for individual taxpayers or \$500 for corporations and partnerships. The amount of donations in excess of the credit can be used as a tax deduction.
- Participating schools must be licensed by the General Council of Education and have an admission policy free of discrimination.

Wisconsin (enacted in 1989; last amended in 1997)

Wisconsin policymakers approved the Milwaukee Parental Choice Program in 1989 and last amended it in 1997. The program includes the following provisions:

- The amount of the voucher is the lesser of two numbers: the private or parochial school's operating and debt service cost per pupil or the state's per-pupil aid to the Milwaukee Public Schools (MPS) (about \$4,373 in 1996-97).
- Students qualify for vouchers if their family income is not greater than 1.75 times the poverty level and if they meet certain enrollment requirements (e.g., during the previous school year, they were enrolled either in the Milwaukee Public Schools (MPS), in a private school in Milwaukee, in grades K-3 in a private school outside of Milwaukee or were not enrolled in school).
- Students may use the voucher at the private or parochial school of their choice.
- Once a student enrolls in the program, he or she may remain in it through the 12th grade.
- Participating schools must notify the state of their intention to participate in the program, comply with certain laws and meet at least one of four legislatively established performance standards.
- No more than 15% of the school district's enrollment may attend participating schools in any school year.

As of the 1998-1999 school year, 6,194 students were participating in the program, although up to 15,000 are allowed to participate.

Wisconsin's program was challenged in court. In 1997, the Wisconsin Supreme Court blocked the expansion pending its ruling, but later was deadlocked and sent the case back to district court, where it was ruled unconstitutional. In June 1998, the Wisconsin Supreme Court ruled on appeal that the program is constitutional. This decision was appealed to the U.S. Supreme Court. In November 1998, the U.S. Supreme Court declined to review the case, thus allowing the Wisconsin Supreme Court's ruling that the program is constitutional to stand.

Vermont and Maine

If no public school exists to serve secondary school students in Vermont and Maine, these states allow districts to send students to private schools and pay their tuition. However, districts cannot send students to parochial schools.

Both programs have been challenged in court. In 1996, the town of Chittenden, Vermont agreed to pay the tuition for about a dozen families to send their children to parochial school. This action was challenged in court. In June 1999, the Vermont Supreme Court ruled that Chittenden's efforts are unconstitutional. According to the court, Chittenden's efforts violate the clause of the Vermont constitution that prohibits "compelled support" of places of religious worship.

In Maine, the Supreme Judicial Court of Maine and the U.S. Court of Appeals for the 1st Circuit, in two separate cases, ruled that the inclusion of religious schools in the program would violate the federal constitution's establishment clause and the exclusion of parochial schools from the program does not violate parents' right of free exercise of religion. The Maine Supreme Judicial Court issued its ruling in April 1999,

and the U.S. Court of Appeals for the 1st Circuit issued its ruling in May 1999. The U.S. Supreme Court, in October 1999, declined to review both cases, thus allowing the lower courts' rulings that the program is unconstitutional to stand.

Private Examples

A new wrinkle in the evolving public policy debate about tax credits, tax deductions and vouchers is the implementation of private voucher programs. Although there are several private organizations that provide scholarships for students to attend private and parochial schools, two of the more notable privately funded efforts are the Children's Educational Opportunity (CEO) America Foundation or the Children's Scholarship Fund (CSF).

Children's Educational Opportunity (CEO) America Foundation

The Children's Educational Opportunity (CEO) Foundation was founded in 1992 in Texas, with the purpose of increasing the number of educational opportunities available to low-income children through the provision of privately funded vouchers. In May of 1994, the CEO Foundation board established the Children's Educational Opportunity (CEO) America Foundation, or CEO America, a non-profit 501(c)(3) corporation, with the purpose of establishing privately funded voucher programs across the nation. At the present time, CEO America is affiliated with approximately 40 privately funded voucher programs throughout the country.

Perhaps CEO America's most controversial endeavor is the Horizon Program, which it started in the Edgewood School District in San Antonio, Texas in the fall of 1998. The purpose of this program is to offer every low-income student within the Edgewood School District the opportunity to attend the public, private or parochial school of his or her choice. Approximately 96 percent of the children within the Edgewood School District qualify for the Horizon Program's vouchers, which are worth up to \$4,000. CEO America is providing up to \$50 million over 10 years for this program. In the 1998-1999 school year, 837 students are participating in the program. Of these students, 566 had been in the Edgewood School District the previous year, 116 were starting in kindergarten, 50 had been attending private schools the previous year and another 105 had been attending public schools outside the Edgewood School District the previous year.

Children's Scholarship Fund (CSF)

The Children's Scholarship Fund (CSF) was created in 1998 by New York City investor Theodore J. Forstmann and Wal-Mart heir John Walton, who together pledged \$100 million to help low-income parents send their children to private and parochial schools. The initial donation of \$100 million drew \$70 million in matching funds from other private sources.

In April 1999, CSF announced the names of 40,000 children that will receive scholarships from \$600 to \$1,600 a year for four years. According to CSF, 1,237,360 children applied for the scholarships, which amounts to about one out of every 50 schoolchildren in the country. CSF is also backing statewide programs in Arkansas, Michigan and New Hampshire, and is reserving 5,000 scholarships for applicants in an at-large pool.

Opposing Views

Proponents of vouchers, tax credits and tax deductions argue that these options will:

- *Enable more families to take advantage of a wide range of education opportunities.* Currently, only relatively wealthy families can afford to send their children to private and parochial schools. Less-advantaged families who want to enroll their children in such schools often must make a considerable financial sacrifice. Vouchers, tax credits and tax deductions make private and parochial schools more affordable for these families, providing them with a greater number of education opportunities.

- *Improve public schools through competition.* This argument is drawn directly from free market economics, which stresses the benefits of market competition. Under this view, vouchers, tax credits and tax deductions will encourage competition between public, private and parochial schools and force the public schools to improve to retain their students.
- *Financially strengthen private and parochial schools.* An increase in private and parochial school enrollment will increase the flow of revenues into these schools, allowing financially struggling ones to remain open. An increase in demand for private and parochial education also could lead to the establishment of new schools.
- *Lower taxes for parents of school-age children, letting them keep more of their own money to spend as they see fit.* Tax credits and tax deductions may reduce the amount of state income taxes that parents of school-age children owe. Furthermore, with refundable tax credits, parents who owe no taxes or owe less than the amount of the tax credit will receive a check for the difference, thus allowing even the poorest families to benefit.

Opponents of vouchers, tax credits and tax deductions maintain that these options will:

- *Divert dollars from publicly accountable schools to private and parochial schools.* Public schools are required to maintain accountability with their taxpayers through a variety of measures, such as elections and open-meeting laws. Among other things, these measures allow taxpayers to know how their schools spend public dollars and what results their schools produce with these dollars. Within the private and parochial school setting, such safeguards do not exist. If funds go to private and parochial schools, taxpayers lose their right to know how public dollars are spent and what results these dollars produce.
- *Lower the quality of public education by easing the departure of students and families who are most informed about education choices.* Students who most often take advantage of public school choices tend to be from better-educated families. This trend may continue and could increasingly segregate the public, private and parochial schools along socioeconomic lines.
- *Increase the state's involvement in religious matters.* Through the implementation of vouchers, tax credits and tax deductions, the state may inappropriately endorse one religion over another, and unduly cross the tenuous line within both state constitutions' and the federal constitution's separation of church and state.
- *Help wealthy families more than low-income families.* Tax credits and tax deductions require families to pay the private or parochial school tuition before they are reimbursed (via the tax credit and/or tax deduction) on their next tax return — a requirement that low-income families may be unable to meet. Low-income families also may not be able to afford transportation to and from private and parochial schools. In addition, the tax credit may not cover the full cost of private or parochial school tuition or may provide only limited options of low-tuition schools. Also, if the supply of private and parochial schools is insufficient, existing tuition levels may increase, further limiting the options for lower-income students.

Effects of Vouchers, Tax Credits and Tax Deductions

There is little information available about the effects of tax credits and tax deductions. A number of different studies, however, have examined the effects of vouchers. Although it is difficult to make any definitive statements about the effects of vouchers, these studies have shed some light on who is participating in voucher programs and how satisfied these participants are with the programs. Critical unresolved issues, though, remain, and include the breadth of expanded options, especially for the poor, the impact on student performance and the effects on school quality.

Milwaukee Parental Choice Program

In 1998, University of Wisconsin at Madison professor John Witte released a review of the results of the first five years of the program (1990-1995). This study focused on the program in its original form, before the state expanded the number of students eligible to receive a voucher and allowed students to use vouchers at religious schools, and drew the following conclusions:

- Black and Hispanic pupils of very low income were the predominant participants, and 75% of applicants and enrollees were from single-parent households (a far higher percentage than that of the control group, made up of low-income public school students). Parental background data also indicated higher levels of educational attainment and support for education, and of dissatisfaction with prior public schooling, than prevailed among control group parents. In sum, the program did facilitate enhanced options for the most disadvantaged pupils.
- The data on the performance outcomes of students in the program was mixed. Pupils' aggregate scores over the life of the program remained consistently similar to those of the low-income control group, and significantly below national norms. However, unlike most inner city pupils, average scores did not substantially decline over the higher grades.
- Annual student attrition rates remained very high (over 30%), which is consistent with public elementary school mobility rates.
- Fewer than half of the eligible secular private schools participated in the program. This limited the number of available seats, but the applicant pool was correspondingly small, partly due to the apparent attraction of parochial schools in the area. A large private fund in Milwaukee offered scholarships to parochial schools, and drew three times the number of applicants.
- Four private schools closed, three in mid-year.
- The program engendered positive effects in the areas of program expansion, facility improvement and faculty turnover, seniority, diversity and certification.
- Satisfaction and support levels of parents participating in the program were consistently high, with levels of parental involvement increasing over time.

In the end, according to Witte, although the study's various methodological constraints caution against the drawing of any overly broad conclusions, this study reveals a successful targeting of very low-income minority pupils, and substantial gains in parental satisfaction and involvement. Moreover, the achievement data, though not marked as of yet by any significant improvement in scores (pending analysis of longer term data), does reveal some increased stability of student outcomes over time.

Two other studies have reached different conclusions on the issue of student achievement in the program. One study, by Harvard University professor Paul Peterson and his colleagues, finds that by the third and fourth year of the voucher program, students participating in the program had made sizable gains relative to their public school counterparts in both reading and math. The other study, by Princeton University professor Cecilia Rouse, finds gains in math but not in reading. There are several reasons for these differences, including how each research team selected its control or comparison group and how they chose to adjust for any remaining differences between students who took advantage of the voucher and those who remained in the public schools.

Cleveland Scholarship and Tutoring Grant Program

In 1997, the Indiana Center for Evaluation released its evaluation of the first year of the Cleveland Scholarship and Tutoring Grant Program. Results of the Center's evaluation indicated that scholarship students:

- Were much like their public school peers in terms of gender, ethnicity, family income and proportion of single-parent homes.
- Were achieving at significantly higher levels than their public school classmates prior to entering the scholarship program.
- Did not appear to have made greater or lesser academic progress than they would have made had they remained in public schools.

In 1998, the Indiana Center for Evaluation released its evaluation of the second year of the Cleveland program. The Center found that:

- Students who continue in the program for at least two years are comparable to their public school peers in demographic characteristics and previous academic achievement. The scholarship program appears to

provide additional educational options to low-income, minority, single-parent families, and seems to successfully meet the goal of educational choice without drawing only the best students from public schools.

- Students who use a scholarship to attend private and parochial schools experience a somewhat different classroom than their public school classmates. Scholarship classes are smaller than public school classes by about three students. Both public and scholarship classroom teachers possess at least an undergraduate degree, with public school teachers more likely to have taken some additional coursework. Public school teachers also had significantly more teaching experience than the scholarship class teachers.
- After approximately two years in the scholarship program, the impact of the program on students' achievement remains unclear. In general, scholarship students perform better than their public school classmates in language, but there are no significant differences in reading, science, mathematics or social studies. However, the academic performance of students in the two newly created schools, intended to focus on serving scholarship students, was significantly lower in each tested area than their public school peers or scholarship students who attend established private and parochial schools.

In September 1997, Harvard University professor Paul Peterson and his colleagues released another study of the program. This study reported the results of a survey of a random sample of parents who applied for a scholarship, including both parents of scholarship recipients and parents of non-recipients. It also reported test-score results for students attending two schools established in response to the creation of the program. Key findings include:

- The average family income of scholarship recipients from public schools was less than that of non-recipients who remained in public school. Similarly, the average family income of scholarship recipients from private schools was less than that of non-recipients who remained in private school. In other respects, scholarship recipients new to choice schools closely resembled non-recipients remaining in public schools.
- Parents of scholarship students who previously attended public schools were much more satisfied with every aspect of their choice school than applicants who did not receive a scholarship, but attended public school instead.
- Between September 1996 and May 1997, students at the two schools established in response to the creation of the program, on average, gained relative to the national norm five percentile points in reading and 15 percentile points in math. However, scores declined five percentile points in language skills.
- 7 percent of all scholarship recipients reported that they did not attend the same school for the entire year. Among recipients new to choice schools the percentage was 10 percent.
- When applicants remaining in public schools were asked why they did not participate in the program, parents most frequently mentioned transportation and financial factors as well as admission to a desired public school.
- 85 percent of the scholarship recipients from public schools said a "very important" reason for applying to the program was to enhance the "academic quality" of their child's education, followed by the "greater safety" to be found at a choice school (79 percent), "location" (59 percent), "religion" (37 percent) and "friends" (19 percent).

Once again, controversies exist between the Indiana Center and Harvard University evaluations of the Cleveland program, especially regarding the quality of the available test data and the appropriate statistical techniques used in analyzing it.

New York School Choice Scholarships Program

In October 1998, Harvard University professor Paul Peterson and his colleagues released their study of the first year of the New York School Choice Scholarships Program. Through this program, about 1,300 students received scholarships worth up to \$1,400, to be used at the private or parochial school of their choice. These students were selected out of over 20,000 applicants through a lottery. The study takes advantage of the fact that the use of the lottery allowed for the conduct of a natural randomized experiment, in which students were allocated randomly to scholarship and control groups. According to the study, after

one year, students who received a scholarship scored higher in math and reading tests than control group students, and parents of scholarship users are much more satisfied with their children's education than control group parents.

Key Questions

In evaluating vouchers, tax credit and tax deduction programs, state policymakers, educators and citizens may want to consider the following questions:

- *How much will the program cost? How will the program costs be covered?* It is difficult to estimate the total cost of these programs because the total number of families (within public, private and parochial schools) that will take advantage of this opportunity is unknown. Whatever the total cost of the program, the source of its funding needs to be defined clearly.
- *How will parents respond to the program?* Each parent's decision will hinge on a variety of factors, such as his or her knowledge about the available choices. Predictions of how many students will leave public schools are inconsistent and most likely only educated guesses. No one knows how many families are sufficiently discouraged with the public schools to enroll in a private or parochial school, if given the opportunity. Unless the amount of the voucher, tax credit or tax deduction is high relative to the average cost of attending a private or parochial school, these programs may stimulate little movement of children from public to private and parochial schools. Also, parents who want to switch schools through the program will be unsuccessful if the necessary spaces in private and parochial schools are unavailable.
- *How will institutions respond to the program?* The impact of these options on public, private and parochial institutions is unknown. If public school staffs believe parents might send their children elsewhere, they may work harder to accommodate parent expectations. In the private and parochial setting, schools may raise tuition, thus nullifying any benefit to parents. In addition, vouchers, tax credits and tax deductions may affect the degree to which private and parochial schools are self-regulated or state-regulated.
- *How does the program affect the relationship between church and state?* There is continuing debate about the appropriate links between government and religion, particularly within education. To determine any law's constitutionality, it must first be examined in light of individual state constitutions and then the federal constitution. The current U.S. Supreme Court's test for determining the constitutionality of state assistance to private schools was established in 1971 in *Lemon v. Kurtzman*. In that case, the court ruled that for a government program to be constitutional, it must have a secular purpose, have a primary effect that neither advances nor inhibits religion and must not lead to excessive entanglement between church and state.

Other relevant questions include:

- Who will receive the voucher, tax credit or tax deduction? Will every parent, regardless of income level and school setting (i.e., public, private, parochial, home), receive the same benefit?
- How many private and parochial schools have open seats, and are those available in urban, suburban and/or rural areas?
- Will private and parochial schools be allowed to deny admission to a student for certain reasons, such as discipline problems?
- Who will determine whether private and parochial schools are failing to admit lower-achieving students? If they do fail to admit such students, how will it be handled?
- Do private and parochial schools favor voucher, tax credit and tax deduction programs? Which ones favor these programs? Which ones do not?
- How will racial-balance issues be handled?
- Who will administer the program? Who will evaluate the program? Where will the funds for the administration and evaluation of the program come from?
- How will the state verify each taxpayer request? Will this cause the state to create a uniform student identification system?
- If a court challenge occurs, what is the potential cost to the taxpayer?

Conclusion

It is likely that publicly funded vouchers, tax credits and tax deductions will continue to be proposed, debated and possibly enacted in state capitols throughout the country over the next few years. In addition, given the unmet demand for privately funded vouchers, the use of such vouchers may increase in many parts of the country, particularly in urban areas.

Still, significant questions about vouchers, tax credits and tax deductions remain unanswered. As a limited number of states and districts move forward on implementing these options, many hope that clear and consistent answers emerge around the following questions: Under what circumstances are these programs constitutional? Do these programs increase the number of educational opportunities available to children? Do these programs improve the achievement of children? How do public schools react to these programs?

Notwithstanding the current absence of clarity on the effects of vouchers, tax credits and tax deductions, the usually heated discussion around these options is forcing states and communities to reexamine how to fulfill the American dream of an equal educational opportunity for all children. In short, these programs, in combination with other reforms such as charter schools and mayoral control of school districts, are altering the definition of public education in the United States at the close of the twentieth century.

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This policy brief was written by Todd Ziebarth, policy analyst, ECS, with financial support from the Joyce Foundation.

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State Capitals

Calif. Rules Hitting Home for Charter Schools

By Jessica L. Sandham

Many California charter schools are facing declining enrollments and tighter regulations this academic year, following the passage of new restrictions on schools that cater to home-schooled students.

Roughly one-third of the state's 156 charter schools will be affected by the changes when they take effect in January. Under a law signed by Gov. Gray Davis in July, schools that rely on instruction that is not classroom-based will have to limit their enrollments to students living in the county that granted their charters or any contiguous counties.

The law also requires that the schools provide the same amount of instructional time as traditional schools, and that they comply with the rules for the state's long-standing independent-study program.

The rules were part of a compromise reached after lawmakers backed away from an earlier plan to cut state funding of non-classroom-based charter schools altogether. (See *Education Week*, June 16, 1999.)

Currently, only California and Alaska have charter school laws that allow for charter schools that are mainly home-based; nine states have charter laws that don't address home-based education, and 26 states prohibit state-supported home-based education programs.

Justification Debated

Home-schooled students enrolled in charter programs often do their schoolwork through some combination of home study with computers and textbooks, time in a more traditional class, and one-on-one time with a teacher or tutor.

Part of the original impetus for



Jayna Gaskell of the Prosser Creek Charter School in Truckee says 80 students could not return this year because of the law.

the changes in California law were concerns that some charter schools and their sponsoring districts were benefiting financially from such home-school-oriented charter schools. For example, some reports said schools were enrolling students from other districts and extracting administrative fees that exceeded actual overhead costs.

Some lawmakers were also concerned that some home-based programs lacked adequate instructional oversight, said California Secretary of Education Gary K. Hart, an appointee of the Democratic governor.

"There were some anecdotes and rumors—just a general concern that there were abuses that were not consistent with what a public education system should be," Mr. Hart said. "Home schooling was not something we contemplated in the original charter school law."

But many of the state's charter school advocates say that abiding

by the state's independent-study regulations could hamper the academic freedoms that make current non-classroom-based programs appealing to students and families. The independent-study rules give districts the authority to determine curriculum, for example, and mandate that students have access to regular classrooms—a potentially troublesome requirement for charter schools that provide most of their instruction through distance learning.

And while the effects of the new regulations won't become fully known until January, charter schools whose student populations extend beyond their contiguous counties are already grappling with dropping enrollments.

At the 350-student Prosser Creek Charter School in Truckee, for example, 80 students who attended the school last year won't be able to this year because they live outside Nevada County or its surrounding counties. Those students will likely have few orga-

nized educational options because there are no charter schools that serve home-based students in the counties where they live, said Jayna Gaskell, the head of school at Prosser.

'Quick Fix' Attempt Seen

Moreover, Ms. Gaskell argued, the mandate that non-classroom-based charter programs work under the independent-study rules is a "quick fix" that doesn't take into account the individualized curricula many such schools use.

"I agree with the lawmakers' intent that there needs to be a mechanism for accountability in home-based programs," Ms. Gaskell said. "But they didn't take into account the reasons why these kids 350 miles away would want to enroll in a little charter school in Truckee. They took a pre-existing program and stuffed us into it."

Ultimately, much of the impact of the regulatory changes hinges on how the state board of education applies the language of the independent-study law to non-classroom-based charter schools—a process that won't likely be completed for several months.

Until that time, advocates for the nontraditional but publicly funded schools say they are working to counteract what they see as one of the main reasons the legislature opted for a crackdown in the first place: an image problem.

"This is not about some kid in a dark room turning on a computer for 10 minutes a day," David Patterson, the director of governmental affairs for the California Network of Educational Charities, said of the charter programs for home-based students. "The bottom line is that we have to demonstrate that this is a valid educational approach."

STATE JOURNAL

Sharing the wealth

For almost a decade, a rural Minnesota district has been practicing an unusual form of workers' compensation: When it posts a healthy budget surplus, it rewards school employees by handing out bonuses.

If the 1,100-student St. Charles district near Rochester, Minn., ends the fiscal year with more than a set amount—currently \$500,000—the remainder is divided up among all its 100 employees except the superintendent.

The arrangement was written into employee contracts in 1991, but until this summer no one paid much attention. Now the practice, apparently unique among Minnesota districts, is under attack.

In July, after an investigation prompted by a complaint, state Auditor Judith H. Dutcher



Judith H. Dutcher

questioned the bonuses. In a letter to legislative leaders, she wrote that while the deal appeared to be legal, it created potential conflicts of

interest. "It's a situation where you don't want the perception that you're not going to buy a new computer in order to preserve a surplus," she said.

The district started the bonuses when, by state law, any surplus over a certain amount effectively had to be returned to the state. That law was recently repealed, but St. Charles Superintendent Tom Ames says he still favors the plan.

Bonuses help retain teachers without salary hikes the district can't afford, helping avoid midyear budget cuts and layoffs, Mr. Ames said. They have been given every year since 1991, with the total pot ranging from a low of about \$90,400 in 1991-92 to a high of \$317,400 in 1996-96.

As for conflicts of interest, the superintendent noted that he or the school board makes most spending decisions, and neither stands to gain from a surplus.

Henry M. Levin, an education economist at Teachers College, Columbia University, called the bonuses legitimate. But he said that tying them to teacher performance might do more to improve student achievement.

Since the auditor's criticism hit the press, Mr. Ames has had some explaining to do. "We're gearing up for a building referendum this fall," he said, "and some people say this will really hurt."

—DEBBY KELLER

Most Virginia Schools Fall Short on High-Stakes Tests

By Jessica Portner

A month after the Virginia education department reported that most schools in the state flunked the second round of rigorous new tests, many teachers and principals are still shaken, wondering whether it is possible to raise students' scores by the deadline.

Only 6.5 percent of the state's schools met the state's performance benchmarks on the Standards of Learning tests administered last spring. Scores on the tests, first given in 1998, will eventually determine whether schools can keep their accreditation and whether students can graduate.

The new scores were, however, better than last year's, when just 2.2 percent—or 39 of the state's 1,800 schools—met the performance goals on the initial round.

ing program is being watched nationally as a prime example of the trend toward stricter academic standards and "high stakes" assessments.

The tests are given annually in grades 3, 6, and 8. They are also administered in high school, where students can take them in 10th, 11th, or 12th grade.

Starting in 2007, 70 percent of a school's students in each grade will have to pass tests in four subject areas—English, mathematics, history, and science—or the school will be subject to losing its state accreditation.

By 2004, students will have to pass tests in the four subject areas in order to graduate from high school. On some tests, students only need to answer 50 percent of the questions correctly to pass.

Despite another high failure rate this year, Virginia officials

described the second round of test scores as a "marked improvement," noting that students in many grades raised their scores over last year's. On the fifth grade writing test, for example, 93 percent of the students taking the test improved their showings.

Scores Called Misleading

State education leaders also said the overall school passing rates were misleading, because 9 percent of the schools came close to passing all four tests—missing the goal by one subject.

"A lot of schools would have reached full accreditation except for history," Kirk T. Schrader, the president of the state board of education, said after the scores were released this summer. "Given that this is only the second year, I am encouraged. We are clearly moving in the right direction."

But the second round of test scores prompted many principals and teachers to argue that passing scores ought to be lowered to take into account the challenges poorer districts face. Some district leaders in both affluent and disadvantaged areas, meanwhile, contend that the tests in any case are too fact-based and require too much memorization.

In Richmond—one of Virginia's lowest-scoring systems—none of the district's 56 schools passed. But Roger Gray, the president of the Richmond Education Association, an affiliate of the National Education Association, said he wasn't surprised.

"You have to question the test," Mr. Gray said. He added that such logistical problems as late delivery of teaching materials hampered teachers' efforts.

"Things came in piecemeal, if they came in at all," he said.

UNIVERSITY OF MINNESOTA

Twin Cities Campus

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Nov 16, 2000

To: David Lussier

From: Joe Nathan

Re: Info on parent attitudes toward charters

David, here is info about the Minnesota New Country School, the student quotes I mentioned, some research from (an admittedly conservative group) about parent attitudes toward charter schools, and a brief summary of Colorado research on parent attitudes toward charters done by the state dept. of education.

Info about Minnesota New Country School:

The Minnesota New Country School has used federal startup funds and a great deal of creativity to create one of the nation's most successful charters. Recently the Gates Foundation gave the school \$4.5 million to replicate itself. MNCS has about 120 students, grades 7-12.

Graduation is based on demonstration of skill and knowledge. Students make public presentations about what they are learning every six weeks. The school is totally individualized - no classes, classrooms, grades or bells. There is one computer for every student. The individualized curriculum allows students to take many paths to the skills and knowledge required for graduation. And here is what some students say about the school (see next sheet)

Info from Joe Nathan's book

38 CHARTER SCHOOLS

*Quotes
re**MNCS*

Elizabeth, age sixteen, likes "the freedom to work on a project for more than an hour at a time." She praised the school's size and "family-like atmosphere." Jack, age fourteen, finds that the school's many computers and individual or small-group projects mean students "don't have to sit and listen to endless lectures." Twelve-year-old Darren liked the way "the three R's are combined in projects that make sense. In my other school, I used to get in a lot of trouble for not paying attention to the teachers. But I've had no problems at all here."

Jim, age fifteen, appreciates the way the school's computers "allow me to move rapidly." Jim reports that he "sometimes was bored" at former schools. "That doesn't happen here." Fourteen-year-old Alice appreciates the "high academic expectations" and the way students are expected to help clean the school. Gangs in her former large secondary school frightened her, but at New Country School, "everyone knows everyone. We don't have fights, which I saw regularly in my former school." And eleven-year-old Robin likes "going out and experiencing" the historical sites such as the Traverse de Sioux treaty location and the local businesses where students learn about potential careers. Robin's mother likes the way that New Country School teachers use "active learning and projects, rather than worksheets and lectures."

Minnesota New Country School staff agree on the value of holding conferences with each student and parent in August, before school starts, along with two other parent-teacher-student conferences held during the year. The August meetings are designed to build a stronger working relationship between home and school, review the student and parent priorities for the year, and begin planning each student's program. Each meeting begins with a review of the student's summer. What were his or her major activities? What did the family do together? Were there any major changes in the family that the school should know about? Then the students and parents identify their priorities, given the school's overall expectations. What kinds of projects will the student work on in the first several months? How will the family help the school out? What kind of reporting to the parents will the school do, and how often will it occur?

MNCS staff find that this August conference is one of the most valuable ways they have of building strong working relationships

1998 COLORADO CHARTER SCHOOLS EVALUATION STUDY

The Characteristics, Status
and Student Achievement Data
of Colorado Charter Schools

PREPARED BY THE CLAYTON FOUNDATION
FOR



THE COLORADO DEPARTMENT OF EDUCATION

January 1999

Colorado Department of Education
201 East Colfax
Denver, Colorado 80203
<http://www.cde.state.co.us>

Table 15 - Parent Involvement in Charter Schools

Charter School (Sponsoring District)	Enrollment	96-97 Total Hours % Who Volunteer	97-98 Total Hours % Who Volunteer	Administers Parent Satisfaction Survey?
Academy of Charter Schools (Adams Five Star)	783	19,000 99+	20,995 67%	yes
Stargate Charter School (Adams Five Star)	226	36,000 not reported	32,000 75%	yes
Summit Middle School (Boulder Valley)	270	18,000 49%	15,000 49%	yes
Mountain View Charter (Canon City)	149	11,380 100%	11,661 100%	yes
Cherry Creek Academy (Cherry Creek School District)	440	not reported 95%	12,000 not reported	yes
Cheyenne Mountain Academy (Cheyenne Mountain Dist. 12)	291	4,500 23%	5,000 50%	yes
Community Prep (Colorado Springs District 11)	122	not applicable	not applicable	yes
GLOBE (Colorado Springs District 11)	136	16,000 not reported	2,000 25%	yes
Roosevelt (Colorado Springs District 11)	821	4,700 not reported	6,000 not reported	yes
P.S. 1 (Denver Public Schools)	162	not reported	doesn't track 50%	yes
Academy Charter School (Douglas County)	353	8,500 80%	8,100 80%	yes
Core Knowledge Charter (Douglas County)	270	7,760 94%	6,500 95%	yes
Renaissance Charter (Douglas County)	255	13,676 96%	10,302 98%	yes
Community of Learners (Durango 9-R)	128	5,017 81%	3,323 73%	yes
EXCEL School (Durango 8-R)	123	2,086 72%	not reported	yes
Eagle County Charter (Eagle County)	162	4,500 60%	5,300 80%	yes
Marble Charter School (Gunnison Watershed)	19	10-12/week 70%	not reported 100%	no
Collegiate Academy (Jefferson County)	136	not reported	3,066 85%	yes
Community Involved (Jefferson County)	259	1,200 20-25%	1,200 25%	yes
Excel Academy (Jefferson County)	138	8,878 100%	7,333 100%	yes
Jefferson Academy Elementary (Jefferson County)	280	8,121 50%	10,710 75%	yes
Jefferson Academy Junior High (Jefferson County)	56	not reported	1,927 50%	yes
Lewis Palmer Charter Academy (Lewis Palmer School District)	268	not reported	10,000 89%	yes
Littleton Academy (Littleton School District)	450	21,700 75%	12,943 75%	yes

Table 15 - Parent Involvement in Charter Schools (Continued)

Charter School (Sponsoring District)	Enrollment	96-97 Total Hours % Who Volunteer	97-98 Total Hours % Who Volunteer	Administers Parent Satisfaction Survey?
Crestone Charter School (Moffat Consolidated)	47	1,520 100%	not reported 100%	yes
Battle Rock Charter School (Montezuma Cortez)	26	300 7%	1,000 20%	yes
Lake George - Guffey Charter (Park School District)	193	not reported	2,000 50%	yes - biannual
Pueblo Arts-Sciences (Pueblo 60)	422	16,870 97%	14,132 97%	yes
Connect Charter School (Pueblo 70)	132	less than 100 5%	200 10%	no
Swallows Academy (Pueblo 70)	59	990 40%	1,500 66%	yes
Aspen Community School (Roaring Fork School District)	147	2,000+ 30%	40 hrs/week 15%	yes
Alpine Charter School (Summit School District)	46	45 hrs/parent 90%	45 hrs+/parent 98%	yes

Data Source: Colorado Charter Schools

Parent Satisfaction

All but two of the 32 schools included in this study (94%) regularly administer a parent satisfaction survey. The surveys have the potential to contribute to accountability in at least two ways. First, they provide useful feedback to the schools from parents on a regular basis. Second, they offer an important source of information that potential patrons of a charter school can review as one measure of the school's effectiveness.

To gain more insight into the issue of parent satisfaction, the evaluation team asked the 32 charter schools participating in this evaluation study to submit the form and results of their most recent parent questionnaire. Twelve schools provided the requested information. A school-by-school analysis of the parent surveys is included in the Appendix.

The idea of conducting a parent survey certainly is not unique to charter schools. But charter schools tend to ask questions that are more directly tied in with the school's particular mission rather than a set of generic questions. The parent surveys administered by the charter schools in this study included questions regarding:

- parent satisfaction with the educational program in specific content areas.
- how well parents are informed about what their child is being taught, how their child is being taught and how progress is being assessed.
- instructional effectiveness.
- governing board effectiveness.
- administrative staff effectiveness.
- amount/quality of homework.

- school climate (e.g. "my child likes to come to school," "my child has positive relationships with peers").
- appropriate level of challenge for their children.
- satisfaction with the amount of time teachers spend with students.
- extent to which school reinforces values taught at home.
- extent to which school provides opportunities to challenge advanced students.
- effectiveness of specific communication strategies employed by the school.
- school's effectiveness at meeting parent needs and family needs.

Some charter schools also used the parent survey as another opportunity to urge parent involvement in the school and to identify potential barriers to parent participation and innovative strategies for getting more parents involved.

Parents in the twelve studies analyzed for this study expressed a very high level of satisfaction. The percentage of parents who agreed that the school meets the needs of their children or is a good fit for their children ranged from 85% to 100%. Overall, the survey responses also reflected a high level of parent satisfaction in terms of communication with the school.

A common theme or issue related to parent concerns did not emerge from the evaluators' analysis of twelve parent surveys. At one school, parents expressed concern about discipline or dress code, at another about the governing board or director, and at another about the quality of the science curriculum or the foreign language program. In short, no pattern of parent concern or low parent satisfaction with the charter schools was evident from this review.

Parent Satisfaction - The National Context

On a national level, in 1997 the Hudson Institute released its two-year study of charter schools, concluding that "satisfaction levels are wide and deep." The study of nearly 9,000 charter school parents, teacher and students in grades five and above found:

- Charter schools are havens for children who had bad educational experiences elsewhere.
- Charter schools are very popular with their primary constituents: students, parents and teachers. Families and teachers are seeking out charter schools primarily for educational reasons: high academic standards, small classes, a focus on teaching and learning, compatible educational philosophies and innovative approaches to education.
- Satisfaction levels are highest for all three groups when it comes to educational matters and lowest when it comes to non-educational issues (food, facility, sports, etc.) indicating that charters are spending their limited resources on the basics.¹⁸

¹⁸ *Charter Schools As Seen by Those Who Know Them Best: Students, Teachers and Parents.*

Charter Schools In Action

A Hudson Institute Project

June 1997

Final Report, Part I

Charter Schools As Seen by Those Who Know Them Best: Students, Teachers, and Parents

By Gregg Vanourek, Bruno V. Manno, Chester E. Finn, Jr., and Louann A. Bierlein

Executive Summary

(1) Charter schools are havens for children who had bad educational experiences elsewhere—low-income children, “at-risk” children, minority children, children with learning disabilities and behavior problems, etc. They (and their parents) report that they’re doing better than in their previous schools (if they were in school at all). These improvements are reported across the board: for children of all ages, races, and genders; for children from public, private, and “home” schools; for children with learning disabilities, limited English proficiency, and other special needs; and children from families in all income brackets.

- Among students performing “poorly” in their previous school (as judged by their parents), nearly half are now doing “excellent” or “above average” work.
- The number of students doing “excellent” or “good” work rose 23.4% for African-Americans and 21.8% for Hispanics after enrolling in charter schools. Similar gains were made by low-income students of all races.

(2) Charter schools are very popular with their primary constituents: their students, parents, and teachers. Pupils are interested in their school work, pleased with their teachers, and likely to return next year. Their parents are satisfied and engaged. Their teachers prize what the school is doing, like working in it, and believe it is succeeding.

- Three-fifths of students report that their charter school teachers are better than their previous schools’ teachers.
- Over two-thirds of parents say their charter school is better than their child’s previous school with respect to class size, school size, and individual attention from teachers. Over three-fifths say it is better with respect to teaching quality, parental involvement, curriculum, extra help for students, academic standards, accessibility and openness, and discipline.

(3) Families and teachers are seeking out charter schools primarily for educational reasons: high academic standards,

small classes, a focus on teaching and learning, educational philosophies that are closer to their own, and innovative approaches to instruction.

- When asked why they chose charter schools, the top answers from parents are: small size (53.0%), higher standards (45.9%), educational philosophy (44.0%), greater opportunities for parental involvement (43.0%), and better teachers (41.9%).
- The top reasons for teachers are educational philosophy (76.8%), wanting a new school (64.8%), like-minded colleagues (62.9%), good administrators (54.6%), and class size (54.2%).

(4) Satisfaction levels are highest for all three groups when it comes to educational matters (curriculum, teaching, class size, etc.) and lowest when it comes to non-educational matters (food, facility, sports, etc.), indicating that charters are deploying their limited resources on “the basics.”

- When students were asked what they like about their charter school, the most frequent answers were: “good teachers” (58.6%), “they teach it until I learn it” (51.3%), and “they don’t let me fall behind” (38.5%).
- Two-thirds of parents thought their charter school has a more satisfactory class size, more individual attention, better teaching, and a stronger curriculum than their child’s previous school, compared to just 2-3% who thought these were worse.

(5) The teachers feel empowered. Charter school teachers are a diverse lot, but nearly all are finding personal fulfillment and professional reward.

- Over 90% of teachers are “very” or “somewhat” satisfied with their charter school’s educational philosophy, size, fellow teachers, and students; over three-quarters are satisfied with their school’s administrators, level of teacher decision-making, and the challenge of starting a new school.
- Only 2.7% of charter school teachers say they “hope to be elsewhere” next year.

Hudson Institute's Charter Schools In Action Project, Final Report, Part 1, June 1997

Charter Schools As Seen by Those Who Know Them Best: Students, Teachers, and Parents

Given today's appetite for education reform among American citizens and the explosive growth of charter schools nationally, scores of analysts and agencies are scrambling to learn about their enrollment patterns, demographics, and educational characteristics. Yet nobody, to our knowledge, has engaged in a systematic nationwide effort to ask the clients and teachers of charter schools what they think of these new educational providers. So we did.

During the 1996-97 school year, Hudson Institute's Charter Schools in Action Project gathered four sets of quantitative data that yield a revealing portrait of 50 charter schools enrolling some 16,000 students in 10 states. The primary topics we probed were satisfaction levels among the schools' essential constituents, comparisons between charter schools and schools that students would otherwise be attending (or had previously attended), reasons for choosing charter schools, and basic demographics.

What is offered here, then, is not just an echo of others' work—such as the excellent new Department of Education charter school study, various state-level reports, or even our own report from last year¹—but a new and distinctive body of information intended to supply policymakers, educators, journalists, and fellow analysts with early feedback from the “constituents” of charter schools. We begin with their foremost constituents: the students.

How Students Grade Their Charter Schools

Nearly 5,000 charter school students in grades five and above completed survey forms. They were asked what they liked (15 options were provided) and disliked (17 options) about

Table 1. Students' Likes and Dislikes About Charter School*

Students' "Likes"		Students' "Dislikes"	
Good teachers	58.6%	Poor sports program	29.4%
Teach it until I learn it	51.3%	Not enough other activities	29.4%
Don't let me fall behind	38.5%	Food	28.6%
Computers & Technology	35.7%	Too much homework	28.5%
Nice people running the school	34.9%	Boring	23.4%
Teacher's attention	33.9%	Not enough	
Class size	33.9%	computers/technology	21.8%
Curriculum	33.3%	Too strict	19.7%
Safety	27.5%	Difficult commute	14.5%
School size	25.4%	Poor facilities	12.1%
Other out-of-school activities	19.8%	I could be learning more	11.7%
A lot is expected of me	19.7%	Bad teachers	9.1%
Opportunities for		School too big or too small	7.5%
parent participation	15.9%	Not enough homework	6.9%
Sports program	15.8%	Classes too big or too small	6.7%
Food	12.0%	Too tough academically	6.7%
		Not safe enough	6.3%
		Not strict enough	6.0%

* "Sample A" student survey respondents from 39 charter schools across 10 states; N = 4,954 (February 1997).

Table 2. Students' Comparison With Previous School*

	My Teachers			My Interest in School Work		
	Better	About the Same	Worse	Better	About the Same	Worse
All Students	60.7%	27.0%	4.8%	49.9%	35.4%	7.7%
Prior Public						
School Students	65.2%	24.7%	5.5%	52.4%	34.4%	8.4%
Prior Private						
School Students	48.5%	37.1%	6.6%	42.1%	43.7%	9.6%
Other ^b	52.1%	32.3%	1.9%	46.5%	37.2%	4.4%
White	64.9%	25.0%	4.0%	52.9%	34.9%	7.4%
Black	56.1%	26.3%	7.4%	50.5%	31.4%	8.1%
Hispanic	60.3%	25.0%	5.5%	49.8%	33.7%	8.5%
Asian	62.0%	29.3%	4.0%	50.0%	40.7%	5.3%
Native						
American	44.2%	47.7%	3.8%	37.6%	50.0%	7.8%

* "Sample A" student survey respondents from 39 charter schools across 10 states; N = 4,954 (February 1997); percentages may not add to 100% due to invalid and non-responses.

^b "Other" refers to children who were home-schooled, who attended another charter school before this one, or who did not attend school last year.

their charter schools and encouraged to check all that applied. On average, they noted 4.6 likes and 2.7 dislikes. (See Table 1.)

Asked “What do you like about this school?”, the most frequent answers were: “good teachers” (58.6%), “they teach it until I learn it” (51.3%), and “they don't let me fall behind” (38.5%). We found it interesting that the top three answers had to do with instruction. The next most frequent answer—“computers and technology” (35.7%)—was somewhat surprising, since our site visits yielded many complaints about a lack of technology due to budget constraints. Some charter schools, however, have developed sophisticated technology programs. (One California school, for example, is now wired with fiber optics and has a TV station.)

The next cluster of answers—“nice people running the school” (34.9%), “teacher's attention” (33.9%), “class size” (33.9%), and “curriculum” (33.3%)—mostly had to do with educational practices. Over all, among the eight most frequent answers, six concern teaching and learning. By contrast, when asked “What do you dislike about this school?” three of the four most common responses concerned non-academic matters: “poor sports program” (29.4%), “not enough other activities” (29.4%), “food” (28.6%), and “too much homework” (28.5%). Although these dislikes were noted by only a quarter to a third of students, they do send a message to charter school leaders about what they'll need to work on in the future to keep their constituents happy.

Charter Schools vs. Schools Previously Attended

On two questions, students were asked to rate features of their charter school against those of their previous school. On both counts, charter schools rate significantly higher. (See Table 2.)

Charter Schools As Seen by Those Who Know Them Best

Three students out of five (60.7%) say that their charter teachers are "better" than teachers at their previous school. And half (49.9%) say they are more interested in their school work. Just one in twenty reports worse teachers and one in thirteen has less interest in school work. Bear in mind that surveys were given only to youngsters in the middle and high school grades, a pupil population often considered hard for schools to please. From Table 2 we can deduce that there is particular satisfaction among students who have left traditional public schools and that student satisfaction crosses racial and ethnic lines.²

Comparative Academic Performance

Charter school students report that they are doing better, on average, at their charter school than at their previous school. (See Table 3.)

The proportion of students doing "excellent" or "good" work rose by 4.9% and 14.5% respectively. Those doing "average" work declined a little. The proportion doing "poorly" fell by 8.0% and those "failing" by 8.5%. Clearly, the numbers are moving in the right direction

Dramatic improvement occurred in many cases. Among students who report that they did poorly at their previous school, 16.9% are now doing "excellent" work and 43.3% are doing "good" work. Of those failing at their previous school, 19.8% are now doing "excellent" work and 36.5% are doing "good" work. (See Table 4.)

Charter school parents also appraised the academic performance of their children at their previous schools and (as of February 1997) at their charter school. Among parents who report that their children did "below average" work at their previous school,

Table 4.	
Student Performance Improvements (As Noted by Students) ^a	
% of Those Performing "Poorly" at Previous School Who Are Now:	Excellent 16.9% Good 43.3% Average 30.7% Poor 5.9% Failing 1.1%
% of Those "Failing" at Previous School Who Are Now:	Excellent 19.8% Good 36.5% Average 29.6% Poor 6.5% Failing 3.5%
Student Performance Improvements (As Noted by Parents) ^b	
% of Those Performing "Below Average" at Previous School Who Are Now:	Excellent 8.2% Above Average 23.8% Average 55.1% Below Average 11.7% Poor 1.2%
% of Those Performing "Poorly" at Previous School Who Are Now:	Excellent 18.9% Above Average 25.6% Average 36.5% Below Average 16.0% Poor 3.2%

^a "Sample A" student survey respondents from 39 charter schools across 10 states; N = 4,954 (February 1997).

^b "Sample B" parent survey respondents from 30 charter schools across 9 states; N = 2,978 (February 1997); percentages may not add to 100% due to invalid and non-responses.

8.2% indicate that their sons and daughters are now doing "excellent" work and 23.8% say their child is now doing "above average" work. Of those whose children did "poorly" at their previous school, 18.9% now report "excellent" work and 25.6% report "above average" work by their children. Again, the numbers are moving in the right direction.

In our sample alone, 814 children have moved out of the poor/failing category by changing to charter schools. That's 70% of all the children who say they were in that performance category in their previous school—a remarkable achievement.

Table 3. Students' Rating of Their Performance (by Race/Ethnicity)^a

		Excellent	Good	Average	Poor	Failing
All Students	Previous School	16.0%	26.7%	26.3%	13.3%	10.3%
	Current Charter School	20.9%	41.2%	24.4%	5.3%	1.8%
	Change	+4.9%	+14.5%	-1.9%	-8.0%	-8.5%
White	Previous School	19.0%	27.6%	24.8%	12.7%	10.0%
	Current Charter School	23.4%	43.2%	22.2%	4.6%	1.4%
	Change	+4.4%	+15.6%	-2.6%	-8.1%	-8.6%
African American	Previous School	12.5%	22.7%	28.0%	14.9%	10.2%
	Current Charter School	20.2%	38.4%	24.0%	5.7%	2.5%
	Change	+7.7%	+15.7%	-4.0%	-9.2%	-7.7%
Hispanic	Previous School	12.2%	25.3%	27.1%	14.1%	12.8%
	Current Charter School	18.6%	40.7%	26.2%	7.0%	1.8%
	Change	+6.4%	+15.4%	-0.9%	-7.1%	-11.0%
Asian	Previous School	13.3%	28.7%	26.7%	12.7%	15.3%
	Current Charter School	18.0%	40.0%	29.3%	6.0%	2.0%
	Change	+4.7%	+11.3%	+2.6%	-6.7%	-13.3%
Native American	Previous School	14.6%	29.5%	36.6%	10.9%	5.3%
	Current Charter School	15.4%	39.9%	35.1%	5.3%	1.0%
	Change	+0.8%	+10.4%	-1.5%	-5.6%	-4.3%

^a "Sample A" student survey respondents from 39 charter schools across 10 states; N = 4,954 (February 1997); percentages may not add to 100% due to invalid and non-responses.

According to Table 5, more students are doing "excellent" or "above average" work in their charter school than in their previous school (as reported by parents). Indeed, the number of their children doing "excellent" or "above average" work increased by 22.7%, while the number doing "below average" or "poor" work decreased by 12.7%. What is striking is that these trends also hold true for special education, gifted, and limited English proficiency (LEP) students.

Hudson Institute's Charter Schools In Action Project, Final Report, Part 1, June 1997

Table 5. Parental Rating of Child's Overall Performance^a

		Previous School	Current Charter School	Change
Total	Excellent	14.0%	24.5%	+10.5%
	Above average	20.0%	32.2%	+12.2%
	Average	27.0%	30.3%	+3.3%
	Below average	12.0%	4.0%	-8.0%
	Poor	5.3%	0.6%	-4.7%
Special Education ^b	Excellent	5.9%	11.0%	+5.1%
	Above average	10.6%	26.8%	+16.2%
	Average	36.8%	48.6%	+11.8%
	Below average	32.2%	11.8%	-20.4%
	Poor	14.5%	1.8%	-12.7%
Gifted ^b	Excellent	26.9%	37.4%	+10.5%
	Above average	33.3%	40.7%	+7.4%
	Average	26.5%	19.0%	-7.5%
	Below average	8.4%	2.3%	-6.1%
	Poor	4.9%	0.6%	-4.3%
Limited English Proficiency	Excellent	22.7%	27.6%	+4.9%
	Above average	20.5%	35.3%	+14.8%
	Average	39.8%	28.4%	-11.4%
	Below average	10.2%	7.8%	-2.4%
	Poor	6.8%	0.9%	-5.9%

^a "Sample B" parent survey respondents from 30 charter schools across 9 states; N = 2,978 (February 1997).

^b "Special Education" students are those identified by their parents as "not learning quickly, needing extra help", having a "physical disability", having "behavior problems", and/or having a "learning disability". "Gifted" students are those noted as being a "fast learner, often bored".

Levels of Satisfaction Among Parents

When asked "How satisfied are you with specific features of this school?", a clear trend emerges: most of the top answers (class size, curriculum, school size, individual attention by teachers, academic standards for students) are education-related, while most of the lower-ranked answers concern such non-instructional matters as facilities, extracurricular activities, transportation, food, and sports. Note, though, that even the "bottom" answers are very positive. If converted to let-

Table 6. Overall Parental Satisfaction With Charter School^a

	Very Satisfied	Somewhat Satisfied	Uncertain	Not Too Satisfied	Quite Dissatisfied
Opportunities for parent participation	75.9%	17.7%	5.1%	1.1%	0.3%
Class size	75.2%	19.2%	3.0%	2.3%	0.3%
Curriculum	71.6%	22.9%	3.4%	1.9%	0.2%
School size	74.5%	18.6%	4.5%	1.9%	0.6%
Individual attention by teachers	70.8%	21.5%	5.2%	2.0%	0.5%
Academic standards for students	67.8%	22.4%	6.7%	2.5%	0.6%
Accessibility and openness	66.1%	23.6%	7.3%	2.2%	0.8%
How much school expects of parents	66.0%	23.2%	7.8%	2.2%	0.8%
People running the school	62.2%	26.4%	7.7%	2.7%	1.0%
Quality of teaching	56.6%	32.4%	8.1%	2.2%	0.8%
Technology	55.8%	24.6%	11.3%	5.9%	2.3%
School facilities	44.8%	34.1%	9.6%	8.5%	3.0%
Extracurricular activities	43.1%	28.9%	20.0%	5.7%	2.2%
Transportation to/from school	49.8%	22.9%	10.5%	10.0%	6.9%
Food	42.3%	27.4%	14.3%	9.3%	6.7%
Sports program	23.0%	37.0%	10.3%	22.8%	6.8%

^a "Sample B" parent survey respondents from 30 charter schools across 9 states; N = 2,978 (February 1997); percentages do not add to 100% due to invalid and non-responses.

Table 7. Overall Parent Rating of Charter School vs. School Child Would Otherwise Attend^a

	Better	About the Same	Worse
Class size	69.3%	16.3%	2.5%
Individual attention by teachers	69.9%	16.7%	2.7%
School size	68.6%	13.1%	4.4%
Quality of teaching	65.7%	19.7%	2.0%
Parent involvement	64.0%	21.3%	2.2%
Curriculum	65.0%	20.8%	3.1%
Extra help for students	64.3%	19.7%	3.3%
Academic standards	63.0%	22.2%	3.0%
Accessibility and openness	60.5%	23.0%	2.5%
Discipline	60.2%	23.6%	3.6%
Basic skills	58.8%	25.7%	2.4%
Safety	59.5%	24.5%	3.5%
School facilities	42.0%	27.1%	15.1%

^a "Sample B" parent survey respondents from 30 charter schools across 9 states; N = 2,978 (February 1997); percentages may not add to 100% due to invalid and non-responses.

ter-grade equivalents, all of the grades would be A's or B's. Parents, overall, seem remarkably pleased with most aspects of their child's charter school (See Table 6.)

When parents were asked to rate their child's charter school against their other options ("Please compare this charter school with the school your child would otherwise be attending this year"), they ranked the charter schools higher on every single indicator—but especially on individual attention and class/school size, and also on curriculum and teaching. Facilities received the worst rating from charter-school parents—a grade that is unsurprising to us after 45 site visits to charter schools, many of them in very meager quarters. Yet even here, 42% of parents say that charter school facilities are better while only 15% say they're worse. (See Table 7.)

Parent satisfaction is also high for parents of children with special needs (e.g., special education students, gifted children, and LEP students). About two-thirds of parents with children in these categories think their charter school is bet-

ter than the schools their children would otherwise attend when it comes to curriculum, quality of teaching, providing extra help when needed, and parental involvement³ (See Table 8.)

Here again, the surveys reveal strong satisfaction and a high degree of conviction that this school is better for their youngster than other available options on a wide array of factors. Several state-level evaluations of charter schools have drawn similar conclusions.⁴

These satisfaction levels for charter schools stand out in a time when there is growing dissatisfaction with traditional public schools. According to recent sur-

Charter Schools As Seen by Those Who Know Them Best

Table 8. Parents' Rating of Charter School vs. School Child Would Otherwise Attend (By Parents of Special Needs Students)^a

		Special Ed. ^b	Gifted ^b	LEP ^c
Curriculum	Better	64.5%	69.6%	75.4%
	About the Same	21.8%	18.3%	15.4%
	Worse	4.9%	3.0%	0.8%
Quality of Teaching	Better	67.1%	67.6%	61.5%
	About the Same	20.6%	19.5%	22.3%
	Worse	2.4%	2.4%	0.0%
Extra Help	Better	68.1%	65.9%	64.6%
	About the Same	17.6%	20.6%	18.5%
	Worse	4.3%	3.2%	0.8%
Parent Involvement	Better	65.0%	68.3%	52.3%
	About the Same	23.6%	19.2%	27.7%
	Worse	1.8%	2.4%	0.8%

^a "Sample B" parent survey respondents from 30 charter schools across 9 states; N = 2,978 (February 1997); percentages may not add to 100% due to no response and invalid responses.

^b "Special Education" students are those identified by their parents as "not learning quickly, needing extra help", having a "physical disability", having "behavior problems", and/or having a "learning disability". "Gifted" students are those noted as being a "fast learner, often bored".

^c "LEP" stands for Limited English Proficiency.

veys by Public Agenda, 61% of Americans complained about public-school standards being too low, and 60% said that schools do not place enough emphasis on "the basics."⁵ Almost half (47%) of Americans said that they did not believe that a high school degree is a guarantee that a student has learned the basics.⁶ In a 1995 report, Public Agenda described popular support for America's public schools as "fragile" and "porous" and warned of a "public poised for flight" unless schools begin to deliver on what the public considers to be the essential elements of education (which it listed as: safety, higher standards, order, and smaller classes).⁷

Table 9. Teacher Satisfaction With Charter School^a

	Very Satisfied	Somewhat Satisfied	Uncertain	Not Too Satisfied	Quite Dissatisfied
Fellow teachers	61.2%	33.2%	3.3%	2.1%	0.2%
Educational philosophy	61.6%	31.6%	4.3%	1.9%	0.6%
School size	59.1%	31.8%	5.6%	3.1%	0.4%
Students	50.9%	40.4%	5.4%	2.9%	0.4%
Challenge of starting new school	50.5%	33.5%	13.7%	2.0%	0.4%
Administrators	53.6%	31.8%	7.1%	5.3%	2.2%
Teacher decisionmaking	46.6%	31.9%	11.6%	7.4%	2.5%
Governing board	38.4%	32.2%	22.7%	4.1%	2.5%
Staff development	34.2%	38.9%	12.5%	11.9%	2.5%
Instructional materials	35.7%	37.3%	8.2%	15.3%	3.5%
Relations with community	21.3%	46.6%	23.5%	7.0%	1.6%
Parental involvement	26.8%	42.1%	9.7%	16.9%	4.5%
Salary level	25.5%	43.7%	9.2%	17.5%	4.1%
Non-teaching responsibilities	23.8%	36.0%	21.0%	14.7%	4.5%
Fringe benefits	24.6%	34.5%	19.4%	14.9%	6.7%
Physical facilities	23.0%	37.0%	10.3%	22.8%	6.8%
Relations with school district	12.1%	26.0%	40.7%	15.7%	5.5%
Relations with teacher union	9.7%	6.8%	69.3%	8.0%	6.2%

^a "Sample C" teacher survey respondents from 36 charter schools across 10 states; N = 521 (February 1997); percentages may not equal 100% due to invalid and non-responses.

How Teachers Grade Their Charter Schools

When teachers were asked "How satisfied are you with specific features of this school and your experience in it?", the answers indicate a high degree of satisfaction with key aspects of the schools. (See Table 9.)

Combining the "very satisfied" and "somewhat satisfied" columns, 93.2% of charter school teachers are satisfied with the school's educational philosophy, 94.4% are satisfied with their fellow teachers, 90.9% are satisfied with the school's size, 85.4% are satisfied with the school's administrators, 91.3% are satisfied with the students, and 84% are satisfied with the challenge of starting a new school. These are impressive numbers, especially given the newness of the schools.

When asked to evaluate their school's success so far in certain areas, the results were again positive. (See Table 10.)

The percentages of teachers who reported that the school had "much success" or "some success" broke down as follows: 97.6% for raising student achievement, 97.5% for providing an excellent educational alternative, 97.3% for providing safety, and 97.1% for educating hard-to-educate children. Teachers reporting that their school has had "little success" or "no success" broke down as follows: 24.7% for giving teachers adequate prep time, 15% for integrating technology with the curriculum, and 11.2% for giving teachers sufficient instructional supplies. On every single issue covered in the survey, at least three-fourths of teachers reported that their charter school was having "much" or "some" success. That probably explains why 82% of teachers plan to return to their charter school next year and fewer than 3% say they hope to be elsewhere. (See Table 11.)

Why Do Families Choose Charter Schools?

Policymakers and analysts project onto the charter school movement various theories about why people might opt into these schools. Asking why real families actually choose charter schools is an important reality check. Our surveys probed why parents made their choices, whether they are pleased with the change, and whether they expect to stick with it. (See Table 12.)

Most of the leading answers (higher standards, educational philosophy, better teachers) have to do with educational matters. Nor is it surprising that parents would be drawn to the small size of most charter schools and their welcoming view of parental involvement. (According to the new federal study, the average enrollment of U.S.

Hudson Institute's Charter Schools In Action Project, Final Report, Part 1, June 1997

Table 10. Teachers' Views on Charter School Success^a

	Much Success	Some Success	Little or No Success
Providing for safety	66.3%	31.0%	2.7%
Providing for excellent educational alternative	62.4%	35.1%	2.5%
Positive influence on education in community	61.1%	36.4%	2.5%
Maintaining discipline	60.2%	34.6%	5.3%
Building high-quality staff	55.9%	40.6%	3.5%
Involving teachers in decision-making	56.9%	37.1%	6.0%
Raising student achievement	48.0%	49.6%	2.3%
Setting/maintaining high academic standards	46.6%	48.7%	4.7%
Strong curriculum, powerful methods	45.9%	49.4%	4.7%
Attracting the kinds of students it hoped to have	42.4%	53.8%	3.7%
Educating hard-to-educate students	40.1%	57.0%	2.9%
Keeping students in school	43.0%	50.9%	6.0%
Suitably assessing pupil performance	37.7%	57.4%	4.9%
Providing necessary teacher training	40.6%	50.7%	8.7%
Obtaining necessary resources	39.1%	52.9%	7.9%
Providing necessary instructional materials	42.2%	46.5%	11.2%
Running smoothly	33.7%	59.3%	7.0%
Involving parents	36.0%	54.7%	9.3%
Integrating technology with curriculum	37.9%	47.0%	15.0%
Giving teachers adequate preparation time	31.7%	43.6%	24.7%

^a "Sample C" teacher survey respondents from 36 charter schools across 10 states; N = 521 (February 1997); percentages may not equal 100% due to invalid and non-responses.

charter schools is only 275 students, and 61.9% of charter schools have an enrollment of fewer than 200 students.⁸)

Some of the reasons parents give (or don't give) for choosing a charter school are more surprising: only a few (16.9%) cited "child doing badly" as their reason for electing the charter school, and just a fifth (20.1%) cited safety concerns. It is interesting to note that the number of parents who say they chose this charter school because their "child was doing badly in his/her previous schools" (16.9%) closely mirrors the percentage (17.3%) who, on another question, described their child's previous academic performance as "below average" or "poor."

Table 11. Teachers' Plans for Returning to Charter School^a

I Hope So	82.0%
Not Sure	15.3%
I Hope To Be Elsewhere	2.7%

^a "Sample C" teacher survey respondents from 36 charter schools across 10 states; N = 521 (February 1997); percentages may not equal 100% due to invalid and non-responses.

Still, even those on the low end of Table 12 are actually big numbers, such as one in five parents reporting that their child has special needs that were not being adequately met by his or her previous school.

Why Do Teachers Choose Charter Schools?

When asked "How big a factor were the following in your decision to teach in this school?", the leading choices were: school's educational philosophy (76.8%), wanted a new school (64.8%), like-minded colleagues (62.9%), good administrators (54.6%), and class size (54.2%). Least commonly cited as a "big factor" were: convenient location (28.2%), school less influenced by union (23.9%), safety (15.1%), attractive compensation (10.2%), and difficulty finding other employment (8.7%).

Table 13 suggests that charter school teachers appear more interested in educational quality and professional/entrepreneurial opportunities than salary and convenience.

When asked "What would you likely be doing this year if you weren't teaching in this school?", only 36.7% said "teaching in another public school." 13.1% said "teaching in another charter school," 8.6% said "teaching in a private school," and a whopping 27.1% said "other." Apparently, charter school teachers are an unconventional bunch. Over a quarter say that they'd be doing something other than teaching if they

Table 12. Reasons Parents Chose Charter School^a

	Lower Income ^b (< \$30,000)	Middle Income (\$30- 59,999)	Upper Income (> \$60,000)	Total
Small size of charter school	52.5%	54.2%	57.6%	53.0%
Higher standards at charter school	44.2%	47.9%	50.6%	45.9%
Program closer to my educational philosophy	37.2%	48.2%	59.7%	44.0%
Greater opportunity for parent involvement	45.5%	45.7%	37.9%	43.0%
Better teachers at charter school	45.3%	39.3%	40.3%	41.9%
Unhappy with curriculum/teachers at previous school	29.8%	39.2%	42.2%	34.5%
My child wanted to come here	34.9%	27.3%	25.2%	30.3%
Location of charter school more convenient	41.9%	20.6%	13.4%	29.5%
Charter school offers before/after school programs	33.2%	18.9%	13.3%	24.3%
People told me this is a better school	27.5%	19.0%	11.7%	21.8%
Previous school was unsafe	25.9%	18.5%	10.8%	20.1%
My child's special needs not met at previous school	20.3%	22.4%	17.8%	19.9%
Prefer private school but could not afford	21.5%	17.9%	15.2%	18.7%
My child was doing badly in regular school	20.4%	16.6%	9.5%	16.9%
Other	7.1%	14.4%	15.2%	11.0%

^a "Sample B" parent survey respondents from 30 charter schools across 9 states; N = 2,978 (February 1997); percentages may not equal 100% due to invalid and non-responses.

^b \$30,000 is our "lower-income" threshold because it captures all families (with four or fewer children) who are eligible for the federal free and reduced-price lunch programs.