

THE ABCS OF SCHOOL CHOICE

The comprehensive guide to every private school choice program in America

2015 EDITION

The Friedman Foundation
for Educational Choice
edchoice.org

About the Friedman Foundation for Educational Choice

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

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ROSE D. FRIEDMAN

Noted Economist
1910-2009

MILTON FRIEDMAN

Nobel Laureate
1912-2006

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

FROM THE FOUNDER OF SCHOOL CHOICE

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

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

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

A handwritten signature in blue ink that reads "Milton Friedman". The signature is fluid and cursive, with a large, stylized 'M' at the beginning.

Milton Friedman
"Why America Needs School Vouchers"
The Wall Street Journal, September 28, 2000

TYPES OF SCHOOL CHOICE PROGRAMS

VOUCHERS

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

EDUCATION SAVINGS ACCOUNTS

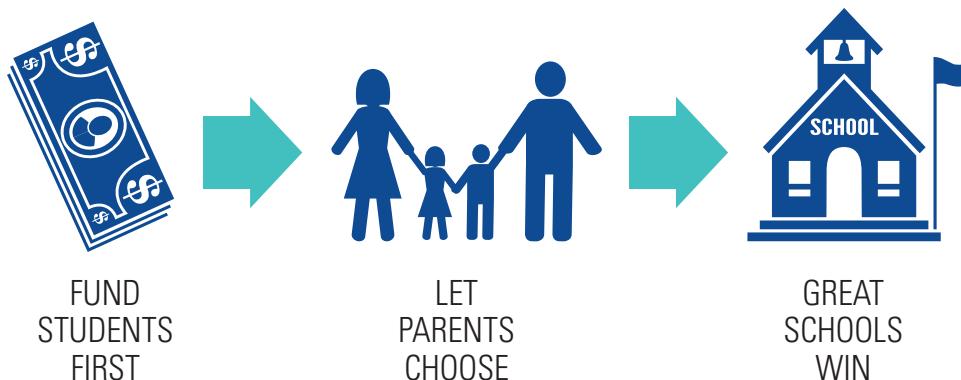
Education savings accounts allow parents to withdraw their children from public district or charter schools and receive a deposit of public funds into government-authorized savings accounts with restricted, but multiple, uses. Those funds can cover private school tuition and fees, online learning programs,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

TAX-CREDIT SCHOLARSHIPS

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

INDIVIDUAL TAX CREDITS / DEDUCTIONS

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



SCHOOLING OPTIONS

PRIVATE SCHOOLS

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

Recommended source for additional information:
Council for American Private Education, capenet.org

CHARTER SCHOOLS

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

Recommended sources for additional information:
National Alliance for Public Charter Schools, publiccharters.org
The Center for Education Reform, edreform.com

HOMESCHOOLING

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

Recommended source for additional information:
Home School Legal Defense Association, hslda.org

ONLINE LEARNING

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

Recommended source for additional information:
International Association for K-12 Online Learning, inacol.org

ALABAMA



Alabama Accountability Act of 2013 Parent-Taxpayer Refundable Tax Credits

Passed 2013 • Launched 2013 • Individual Tax Credit/Rebate

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

TAX CREDIT VALUE

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

STUDENT ELIGIBILITY

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

LATEST STATS (2013)

Taxpayers participating: **71**

Average tax credit/rebate value: **\$2,005**

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

4%

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

Ala. Code §§40-2A-7(a)(5) and 16-6D

SCHOOL REQUIREMENTS

- Certification the student was enrolled in or assigned to a failing school, certification that student was transferred to a non-failing public or private school, and proof of the cost of attendance at the non-failing public or private school

ALABAMA



Education Scholarship Program

Passed 2013 • Launched 2013 • Tax-Credit Scholarship

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

STUDENT FUNDING

Scholarship amounts are determined by SGOs.

STUDENT ELIGIBILITY

Children are eligible to receive scholarships if their family income does not exceed 150 percent of Alabama's median household income (\$64,274 in 2013) and their family income does not exceed 200 percent of the federal poverty level (\$47,700 for a family of four in 2014-15). Also, qualifying students must (1) be younger than 19 years of age, (2) be public or private school students zoned to attend a public school designated as failing, or (3) have been a non-graduate scholarship recipient in the previous school year under this program, regardless of household income. Alabama defines a public school as failing if it meets one or more of the following requirements: The school is labeled as persistently low-performing by the Alabama State Department of Education; the school is designated as a failing school by the state Superintendent of Education; the school does not exclusively serve a special population of students; or the school has been listed three or more times during the most recent six years in the lowest 6 percent of public K-12 schools on the state standardized assessment in reading and math. If an SGO has scholarship funds unaccounted for on September 15 of each year, scholarships may be made available to low-income students in public school, regardless of whether or not their assigned public school is considered failing.

LATEST STATS (2013)

Students participating: **9**

Schools participating: **N.A.**

Scholarship organizations: **2**

Average scholarship value: **\$2,699**

Percent of Alabama families meeting
the Education Scholarship Program's
income requirement

55%

FRIEDMAN FEEDBACK

Alabama's tax-credit scholarship program has a low cap (\$25 million) relative to similar tax-credit scholarship programs in other states. The state should consider allowing automatic increases in the cap each year (similar to Florida's program). Also, although it is positive the program opens up opportunities for students in non-failing public schools, the bifurcated process for distributing scholarships is difficult to navigate for schools, SGOs, and parents. The state should consider dropping the failing school provision altogether to bring clarity to the application process.

GOVERNING STATUTES

Ala. Code §§40-2A-7(a)(5) and 16-6D

SGO REQUIREMENTS

- Use at least 95 percent of contributions for scholarships
- Conduct criminal background checks on all employees and board members
- Make scholarships portable to any qualifying school
- Spend a portion of expenditures on scholarships for low-income students (family income does not exceed 200 percent of the federal poverty level, \$47,700 for family of four in 2014-15) equal to the percentage of low-income students in the county where the SGO expends the majority of its scholarships
- Ensure at least 75 percent of first-time scholarship recipients were not enrolled in a private school during the previous year
- Submit annually to the state:
 - ✓ Data on accepted contributions
 - ✓ Data on scholarships awarded, including the amount awarded to students who qualify for the federal free and reduced-price lunch program, and the percentage of first-time scholarship recipients who were enrolled in a public school the previous year
 - ✓ Financial audit performed by a certified public accountant

ARIZONA



Original Individual Income Tax Credit Scholarship Program

Enacted 1997 • Launched 1997 • Tax-Credit Scholarship

Arizona provides a credit on individual income taxes for donations to School Tuition Organizations (STOs), nonprofits that provide private school scholarships. In the tax year 2015, individual taxpayers contributing to STOs may claim a dollar-for-dollar credit of up to \$535, and married couples filing jointly may claim up to \$1,070. The amount an individual can claim for a credit increases each year by the amount the Consumer Price Index changes.

STUDENT FUNDING

Scholarship amounts are determined by STOs.

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

Ariz. Rev. Stat. §§43-1089; 43-1601 through 1605

LATEST STATS (2012-13)

Scholarships awarded: **25,720**

Schools participating: **337**

Scholarship organizations: **47**

Average scholarship value: **\$1,927**

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

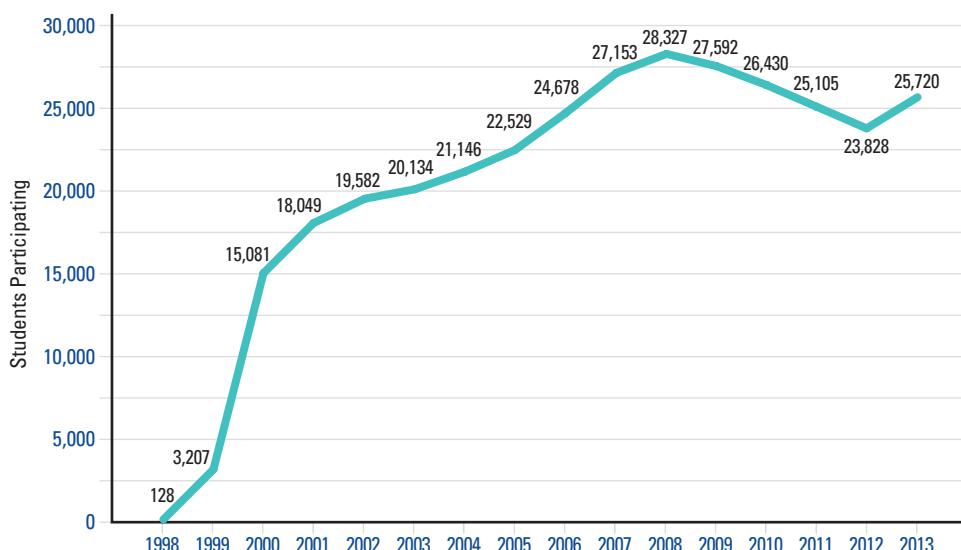
100%

STO REQUIREMENTS

- Use at least 90 percent of contributions for scholarships
- Make scholarships available for more than one school
- May allow donors to recommend student beneficiaries but shall not award, designate, or reserve scholarships solely on the basis of donor recommendations
- Cannot exchange recommendations of student beneficiaries with other donors
- Report annually to the state:
 - ✓ Data on accepted contributions, grants awarded, dollar amount of scholarships granted to students who qualify for the free or reduced-price lunch program, dollar amount of scholarships granted to those students whose household income falls between 185 percent and 342 percent of the federal poverty level (\$44,123 and \$81,567 for a family of four in 2014-15), amount of money being held for identified student scholarships in future years, list of participating schools with the number and dollar amount of scholarship awards received, the salary of the STO's top three officials for the fiscal year, and proof of independent review of financial statements by a certified public accountant



Arizona's Original Individual Income Tax Credit Scholarship Program has awarded more than 128,000 scholarships over the last five years.



ARIZONA



Low-Income Corporate Income Tax Credit Scholarship Program

Enacted 2006 • Launched 2006 • Tax-Credit Scholarship

Arizona provides a credit on corporate income taxes for C-Corporations for donations to School Tuition Organizations (STOs), nonprofits that provide private school scholarships. STOs receiving donations for this program must award scholarships to low-income students. Corporate taxpayers contributing to STOs may claim a tax credit equal to the full amount of their contribution. The program is limited to a total of \$43 million in available tax credits per year, a figure that is allowed to rise 20 percent annually.

STUDENT FUNDING

Each STO determines the amount of scholarships it distributes. Scholarships are capped at \$5,000 in grades K-8 and \$6,300 in grades 9-12. Those amounts increase annually by \$100.

STUDENT ELIGIBILITY

All students receiving scholarships under this program must come from families whose household incomes are at or below 185 percent of the federal reduced-price lunch program (\$81,628 for a family of four in 2014-15). Additionally, students must either be (1) enrolled in private school kindergarten, (2) enrolled in a private preschool program for students with disabilities, (3) a public school enrollee for at least 90 days in the previous year or one full semester of the current school year, (4) a dependent of an active-duty member of the military stationed in Arizona, or (5) a prior scholarship recipient under this program or the individual tax-credit scholarship program.

FRIEDMAN FEEDBACK

Arizona's corporate tax-credit scholarship program has room to grow, particularly with student eligibility limited to those with family incomes lower than 185 percent of the reduced-price lunch threshold. On funding power, the total credit cap of \$43 million limits both the number of scholarships that can be awarded and the amount of each scholarship (\$1,524 per scholarship, on average, in 2012-13), far less than what students receive on average in their public schools. The program's regulations are reasonable, requiring schools to comply with the state's private school regulations, including health, safety, and nondiscrimination requirements, and fingerprinting teachers. To make this program more universal, the low-income eligibility requirement would have to be lifted and the cap on available tax credits would need to be removed or dramatically increased. The corporate tax-credit scholarship program also should be expanded to include S-Corporations, which would substantially increase the number and funding value of scholarships.

GOVERNING STATUTES

Ariz. Rev. Stat. §§43-1183; 43-1501 through 1507; and 20-224.06

LATEST STATS (2012-13)

Students participating: **11,653**
Schools participating: **216**
Scholarship organizations: **26**
Average scholarship value: **\$1,524**

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

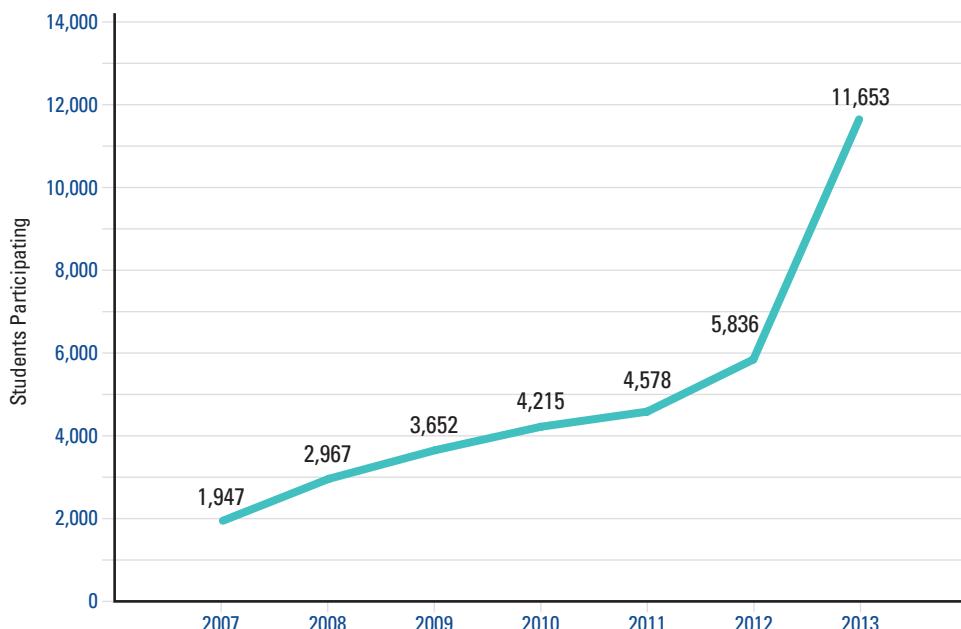
52%

STO REQUIREMENTS

- Use at least 90 percent of contributions for scholarships
- Make scholarships available for more than one school
- Must allow the state to verify that scholarships are awarded to students attending a qualified school
- Report annually to the state:
 - ✓ Data on accepted contributions, grants awarded, amount of money being held for identified student scholarships in future years, list of participating schools with the number and dollar amount of scholarship awards received, salary of the STO's top three officials for the fiscal year, and proof of independent review of financial statements by a certified public accountant

AZ

The number of children participating in Arizona's Low-Income Corporate Income Tax Credit Scholarship Program nearly doubled from 2012 to 2013.



ARIZONA



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

Enacted 2009 • Launched 2009 • Tax-Credit Scholarship

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

STUDENT FUNDING

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

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

Ariz. Rev. Stat. §§15-891; 43-1184; 43-1501 through 1507; and 20-224.07

LATEST STATS (2012-13)

Students participating: **218**

Schools participating: **61**

Scholarship organizations: **6**

Average scholarship value: **\$3,360**

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

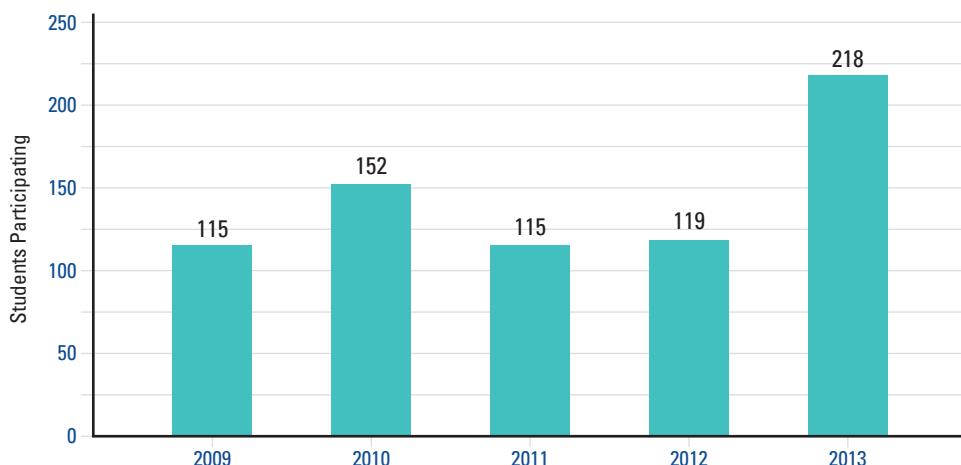
12%

STO REQUIREMENTS

- Use at least 90 percent of contributions for scholarships
- Make scholarships available for more than one school
- Allow the state to verify that scholarships are awarded to students attending a qualified school
- Annually report to the state:
 - ✓ Data on accepted contributions, grants awarded, amount of money being held for identified student scholarships in future years, list of participating schools with the number and dollar amount of scholarship awards received, salary of the STO's top three officials for the fiscal year, and proof of independent review of financial statements by a certified public accountant

AZ

Enrollment in Arizona's Lexie's Law for Disabled and Displaced Students Tax Credit Scholarship Program increased by more than 80 percent from 2012 to 2013.



ARIZONA



Empowerment Scholarship Accounts

Enacted 2011 • Launched 2011 • Education Savings Account

Arizona's Empowerment Scholarship Accounts (ESA) program allows parents to withdraw their children from public, district, or charter schools and receive a portion of their public funding deposited into an account with defined, but multiple, uses, including private school tuition, online education, private tutoring, or future educational expenses.

STUDENT FUNDING

ESAs are funded at 90 percent of the charter school per-student base funding. For the 2014-15 school year, that amounts to about \$5,300 for students who do not have special needs.

STUDENT ELIGIBILITY

Students must have previously either (1) attended public school for at least 100 days of the prior fiscal year, (2) received a special education tax-credit scholarship from a School Tuition Organization (STO), (3) participated in the ESA program, or (4) received money from an STO under Lexie's Law. However, students eligible to attend kindergarten do not need to meet those requirements if they otherwise qualify for the ESA program. In the 2014-15 school year, eligibility expanded beyond the pool of students with special needs, students assigned to public schools or school districts with a "D" or "F" letter grade, children of active-duty military members stationed in Arizona, and youth adopted from the state's foster care system to include children of military members who were killed in the line of duty, siblings of current or previous ESA recipients, and students eligible to enroll in a program for preschool children with disabilities. New accounts are capped at 0.5 percent of the previous year's total number of public and charter school students; that cap is removed in 2019.

FRIEDMAN FEEDBACK

Arizona's ESA program is relatively strong on its funding power, as 90 percent of the charter school per-student base funding amount is deposited in each participant's ESA. Arizona's ESA program also excels in that it is not over-regulated; ESA-using parents must sign an agreement to provide an education including reading and grammar, math, social studies, and science, and participating private schools or service providers must not discriminate. The program could improve by expanding eligibility. The 2014-15 eligibility expansion no doubt gets closer to providing eligibility to all Arizona families, but despite that expansion, more than 75 percent of children in Arizona still are ineligible for ESAs. Additionally, the arbitrary cap of 0.5 percent of traditional public and charter school enrollment restricts even the current 20 percent eligible from enrolling.

LATEST STATS (2014-15)

Students participating: **1,311**

Schools participating: **134**

Average annual award value: **\$14,000** (projected)

Percent of Arizona K-12 students eligible for Empowerment Scholarship Accounts

20%

GOVERNING STATUTES

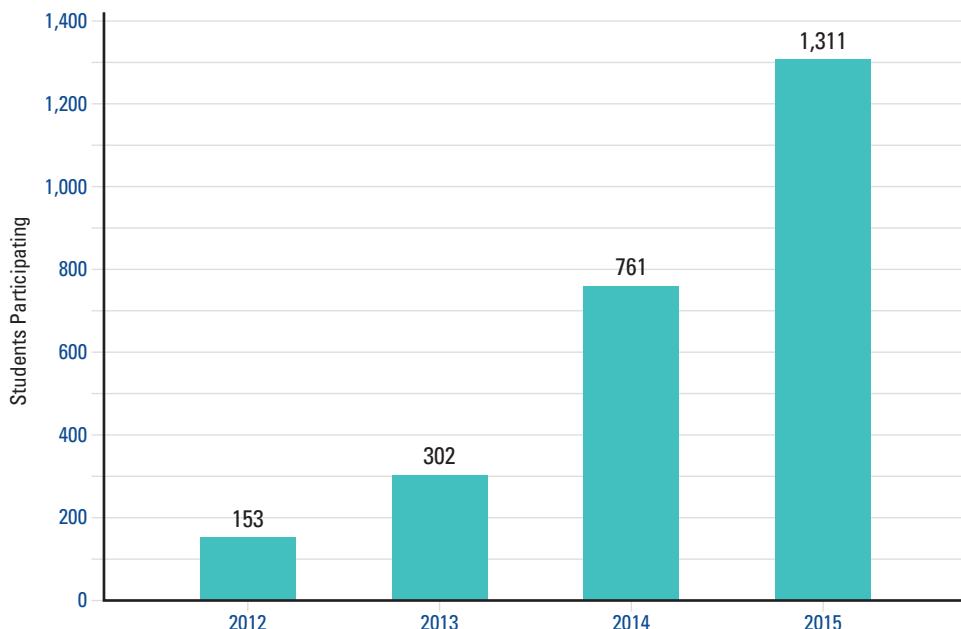
Ariz. Rev. Stat. §§15-2401 through 2404

PARENT REQUIREMENTS

- Must sign an agreement to:
 - ✓ Provide an education in the subjects of reading, grammar, mathematics, social studies, and science
 - ✓ Not enroll their student in a school district or charter school
 - ✓ Release the school district from all obligations to educate the student
 - ✓ Not accept a scholarship under any of Arizona's tax-credit scholarship programs
 - ✓ Use the money deposited in the ESA for purposes specified in the law



Enrollment in Arizona's education savings accounts program increased by more than 72 percent since 2014.



ARIZONA



“Switcher” Individual Income Tax Credit Scholarship Program

Enacted 2012 • Launched 2012 • Tax-Credit Scholarship

Arizona’s “switcher” tax-credit scholarship program supplements its original individual tax-credit scholarship program. The switcher program provides a credit on individual income taxes for donations to School Tuition Organizations (STOs), nonprofits that provide private school scholarships. In tax year 2015, individual taxpayers contributing to STOs under this switcher may claim a dollar-for-dollar credit of up to \$532, and married couples filing jointly may claim up to \$1,064. However, taxpayers must first donate the maximum credit amount for the Original Individual Income Tax Credit (\$535 individual, \$1,070 joint) before the switcher credit can be claimed.

STUDENT FUNDING

Scholarship amounts are determined by STOs.

STUDENT ELIGIBILITY

Students must be in grades K-12 and have previously attended a public school for at least a full semester or 90 days or be a preschool enrollee identified by the school district as having a disability under the Individuals with Disabilities Education Act or Section 504 of the Rehabilitation Act. Additionally, students who are in kindergarten, children of active military members stationed in Arizona, and previous recipients of a Low-Income Corporate Income Tax Credit Scholarship or “Switcher” Individual Income Tax Credit Scholarship who have remained in private school are eligible. Although there is no means-testing for eligibility, STOs must consider financial need when awarding scholarships and cannot make decisions based solely on donor recommendations. Individual taxpayers may not make STO contributions earmarked for their own dependents, nor may donors make agreements among one another to “trade” donations for their respective dependents.

FRIEDMAN FEEDBACK

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

LATEST STATS (2012-13)

Scholarships awarded: **4,668**
Schools participating: **260**
Scholarship organizations: **37**
Average scholarship value: **\$1,089**

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

100%

GOVERNING STATUTES

Ariz. Rev. Stat. §43-1089.03

STO REQUIREMENTS

- Use at least 90 percent of contributions for scholarships
- Make scholarships available for more than one school
- May allow donors to recommend student beneficiaries but shall not award, designate, or reserve scholarships solely on the basis of donor recommendations
- Cannot exchange recommendations of student beneficiaries with other donors
- Report annually to the state:
 - ✓ Data on accepted contributions, grants awarded, dollar amount of scholarships granted to students who qualify for the free or reduced-price lunch program, dollar amount of scholarships granted to those students whose household income falls between 185 percent and 342 percent of the federal poverty level (\$44,123 and \$81,567, respectively, for a family of four in 2014-15), amount of money being held for identified student scholarships in future years, list of participating schools with the number and dollar amount of scholarship awards received, the salary of the STO's top three officials for the fiscal year, and proof of independent review of financial statements by a certified public accountant

COLORADO

Douglas County Choice Scholarship Pilot Program

Enacted 2011 • Launched 2011 • Voucher

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

STUDENT FUNDING

Eligible students can receive a voucher worth the lesser of the private school tuition or 75 percent of the per-pupil public revenue (\$5,066 in 2014-15). A family is allowed to supplement the voucher with additional funds.

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

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

LATEST STATS (2011-12)

Students participating: **494**

Schools participating: **21**

Average voucher value: **\$1,143** (one-fourth of school year)

Percent of Douglas County K-12 students eligible for the Choice Scholarship Pilot Program

95%

GOVERNING STATUTES

<https://www.dcsdk12.org/strategicplan/choice/choicescholarships>

SCHOOL REQUIREMENTS

- Be accredited by a recognized state or national accrediting organization
- Demonstrate student achievement and growth results for participating students at least as strong as what district neighborhood and charter schools produce
- Disclose financial history, including the past three years of audited financial statements and documentation showing adequate insurance policies
- Private schools that have been in operation for fewer than three years must demonstrate the ability to indemnify the district for any loss if the school closes
- Comply with building codes and have a safe school plan
- Conduct criminal background checks on school employees
- May not discriminate in employment or enrollment decisions
- Must release participating students so the district can administer statewide or district assessments
- Provide information on employment and enrollment policies, a description of student performance assessments, student conduct and discipline policies, and a description of governance and operations

DISTRICT OF COLUMBIA



Opportunity Scholarship Program

Enacted 2004 • Launched 2004 • Voucher

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

STUDENT FUNDING

Vouchers are worth up to \$8,381 for K-8 students and \$12,572 for students in grades 9-12. Those amounts rise with the Consumer Price Index. Vouchers first pay for tuition, with any leftover amount available for certain qualified fees that schools may require.

STUDENT ELIGIBILITY

Families must be current D.C. residents. Additionally, families must either receive benefits under the Supplemental Nutrition Assistance Program (SNAP) or earn no more than 185 percent of the federal poverty level when they enter the program (\$44,123 for a family of four in 2014-15). Students may continue to receive vouchers in later years if their household income does not rise above 300 percent of the poverty level. Students are given priority if they come from public schools in need of improvement, or if they or their siblings already are participating in the program. They may use vouchers only to attend private schools located in D.C.

FRIEDMAN FEEDBACK

The District of Columbia's voucher program, the first and only such program authorized by Congress, can award vouchers to only 2,000 students per year because of a relatively small annual budget. Many families who otherwise qualify for the program are unnecessarily denied the ability to choose schools for their children, as evidenced by the annual lottery and resulting waitlist for the vouchers. On funding, the program's maximum vouchers are worth about 40 percent of the average \$29,831 revenue available to each D.C. public school student; all D.C. students should receive equal funds regardless of the educational option (public, charter, or private) their parents choose. The Opportunity Scholarship Program also places a number of regulatory burdens on schools: Private schools lose autonomy over admissions, and participating students are required to take a nationally norm-referenced test (although private schools are not required to administer the tests). For the program to improve, funding should be expanded beyond the current \$20 million to allow more families to participate.

LATEST STATS (2014-15)

Students participating: **1,442**

Schools participating: **47**

Average voucher value: **\$8,712 (2012-13)**

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

29%

GOVERNING STATUTES

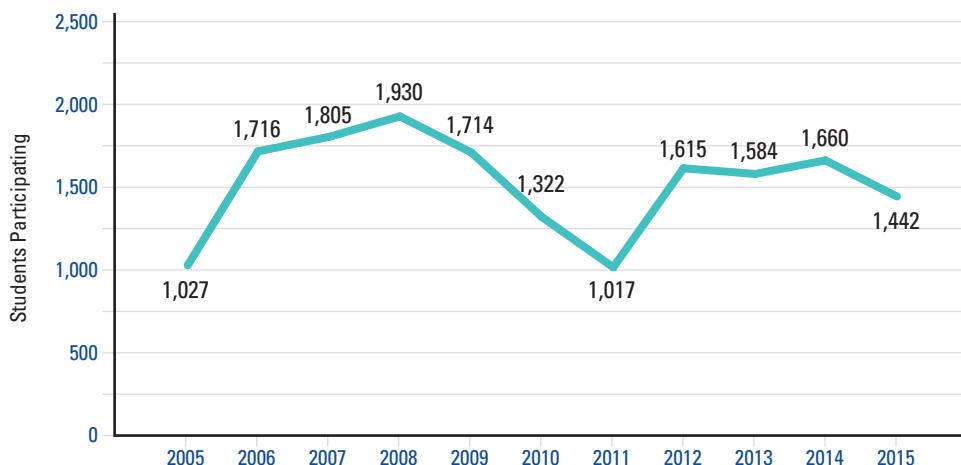
House Resolution 2673, 2004 Consolidated Appropriations Act; House Resolution 1105, 2009 Omnibus Appropriations Act; House Resolution 471, 2011 Department of Defense and Full-Year Continuing Appropriations Act

SCHOOL REQUIREMENTS

- Must not discriminate
- Comply with district health and safety codes
- Maintain a valid certificate of occupancy
- Teachers in core subjects must have a bachelor's degree
- Must be accredited and comply with other standards prescribed under the District of Columbia compulsory school attendance laws
- Must allow site visits by the administering program entity
- Administer a nationally norm-referenced standardized test; a comparative evaluation will be conducted utilizing D.C. Public Schools, charter schools, and OSP school testing data
- Submit proof of financial sustainability for schools in operation for five years or less
- Have financial systems in place to ensure funds are used appropriately



The District of Columbia's voucher program has demonstrated volatility over time; participation decreased by 13 percent in the past year.



FLORIDA

John M. McKay Scholarships for Students with Disabilities Program

Enacted as Pilot Program in 1999 • Expanded 2000 • Voucher



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

STUDENT FUNDING

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

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

Fla. Stat. §§1002.39; 1002.421

LATEST STATS (Fall 2014)

Students participating: **28,957**

Schools participating: **1,271**

Average voucher value: **\$6,979** (projected)

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

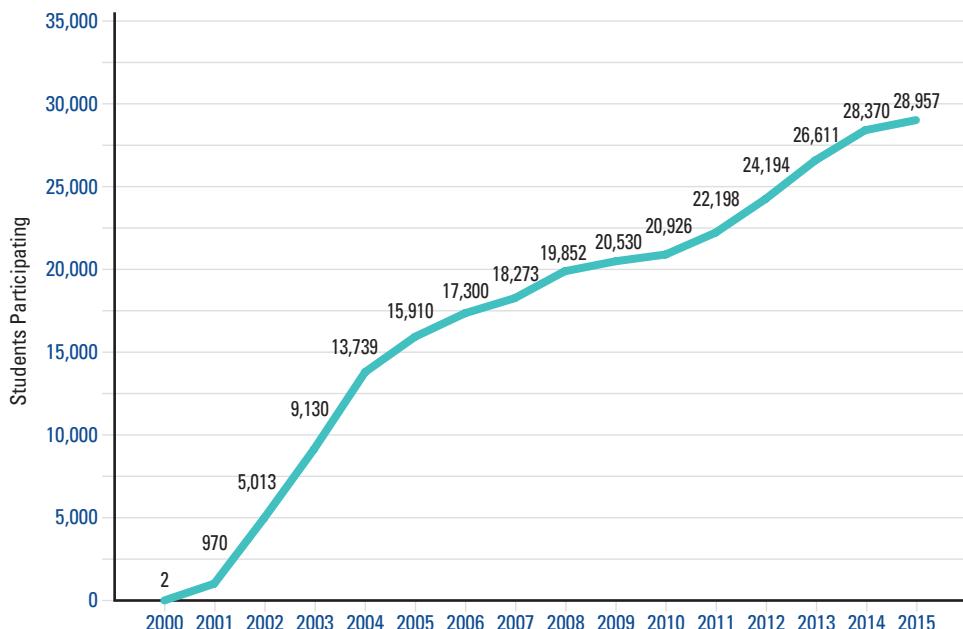
13%

SCHOOL REQUIREMENTS

- Be approved by the state
- Submit to the state annual sworn compliance reports regarding all local and state health and safety codes
- Comply with federal nondiscrimination requirements of 42 U.S.C. s 2000d
- Teachers and other school personnel working with scholarship recipients must undergo federal background checks
- Teachers must have a bachelor's degree, three years of teaching experience, or special expertise
- Schools in operation less than three years must obtain a surety bond or letter of credit to cover the value of the scholarship payments for one quarter
- Report student's progress to parents annually



Florida's John M. McKay Scholarships for Students with Disabilities Program has provided more than 130,000 vouchers over the last five years.



FLORIDA

Florida Tax Credit Scholarship Program

Enacted 2001 • Launched 2001 • Tax-Credit Scholarship



Florida provides a tax credit on corporate income taxes and insurance premium taxes for donations to Scholarship Funding Organizations (SFOs), nonprofits that provide scholarships for low-income students and children in foster care and offer funds for transportation to public schools outside a child's district. Businesses get a dollar-for-dollar tax credit for SFO contributions, with total credits capped at \$357.8 million. Unused credits can be carried forward to the next fiscal year.

TAX CREDIT VALUE

Scholarships can be worth up to \$5,272, though they may not exceed private school tuition and fees. Transportation grants for public schools are worth up to \$500. Beginning in the 2016-17 school year, the maximum scholarship amount is projected to be worth about \$6,000.

STUDENT ELIGIBILITY

Students who qualify for free and reduced-price lunch (\$44,123 for a family of four in 2014-15) and who either are enrolled in public school or about to enter kindergarten through fifth grade are eligible. Students in foster care also qualify. If students' household incomes rise, they can stay in the program under full scholarship as long as their family earns no more than 230 percent of the poverty level. Beginning in the 2016-17 school year, students from households with income levels up to 260 percent of the federal poverty level will be eligible. The annual limit for the amount of funds awarded will be reduced by 12 percent to 50 percent if the student comes from a household with an income between 200 percent and 260 percent of the federal poverty level, and the maximum amount is projected to be worth about \$6,000. Eligibility will also be opened to siblings of current scholarship recipients, as long as they live in the same household, and the income limit for previous scholarship recipients will be removed. Additionally, students placed in foster care or out-of-home care will be able to apply for a scholarship at any time.

FRIEDMAN FEEDBACK

Last year the Florida legislature expanded student eligibility for its tax-credit scholarship program, the country's largest private school choice scholarship program in terms of enrollees. Notable eligibility changes include a marginal raise in the household income requirements and an elimination of the requirement for students to spend his or her prior year in public school before participating in the program. The program's available funding is capped at \$357.8 million, which limits scholarships to around only 1 percent of the state's students; fortunately, that cap is allowed to increase by 25 percent if 90 percent of the cap is reached. Similarly, with funding power, the per-student funding cap on scholarships is allowed to grow, another plus. On school requirements, the program requires schools to have state approval and administer a nationally norm-referenced test to scholarship students.

LATEST STATS (Fall 2014)

Students participating: **69,671**

Schools participating: **1,525**

Scholarship organizations: **2**

Average scholarship value: **\$4,999** (projected)

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

29%

*Each foster care student counted as a separate family

GOVERNING STATUTES

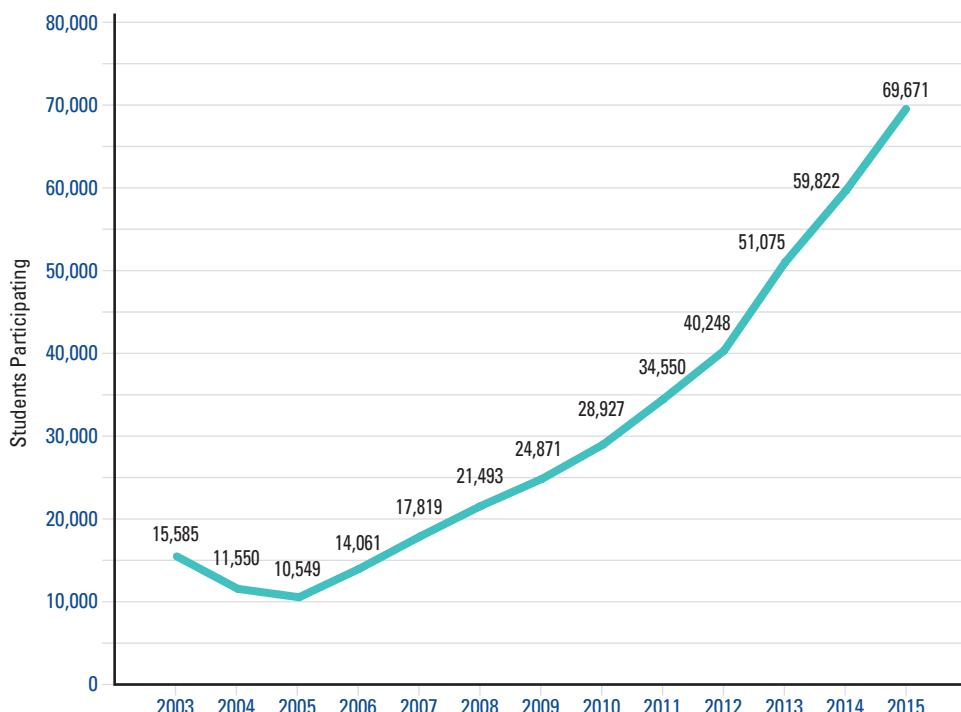
Fla. Stat. §§1002.395 and 1002.421

SCHOOL REQUIREMENTS

- Be approved by the state
- Submit to the state annual sworn compliance reports regarding all local and state health and safety codes
- Comply with federal nondiscrimination requirements of 42 U.S.C. s 2000d
- Teachers and other school personnel working with scholarship recipients must undergo federal background checks
- Teachers must have a bachelor's degree, three years of teaching experience, or special expertise
- Schools in operation less than three years must obtain a surety bond or letter of credit to cover the value of the scholarship payments for one quarter
- Any school receiving more than \$250,000 in scholarship money must provide financial reporting to the state
- Scholarship students must take a nationally recognized norm-referenced test or the state public school assessment. All schools with at least 30 students in grades 3–10 must post standardized test score gains



Since 2012, there has been a participation increase of more than 73 percent in the Florida Tax Credit Scholarship Program.



FLORIDA

Personal Learning Scholarship Account Program

Enacted 2014 • Launched 2014 • Education Savings Account



Florida's Personal Learning Scholarship Account (PLSA) Program allows students with special needs an opportunity to receive an account funded by the state and administered by an approved Scholarship Funding Organization. Parents can use the funds to pay for a variety of educational services, including private school tuition, tutoring, online education, curriculum, therapy, postsecondary educational institutions in Florida, and other defined educational services.

STUDENT FUNDING

The maximum amount for the PLSA is equivalent to 90 percent of the state and local funds reflected in the state funding formula that would have gone to the student had he or she attended public school.

STUDENT ELIGIBILITY

Students qualify if they reside in Florida and are eligible to enroll in kindergarten through 12th grade. They must have an Individualized Education Plan or have been diagnosed with one of the following: autism, Down syndrome, an intellectual disability, Prader-Willi syndrome, spina-bifida, or Williams syndrome, or be kindergartners who are considered high-risk.

FRIEDMAN FEEDBACK

Although Florida's McKay voucher is the nation's largest such program for students with special needs, the state still took an important step this past year to pass an education savings account (ESA) designed to give parents access to educational therapy, tutoring, and online learning programs, which are inaccessible through a traditional voucher program. The ESA program is projected to serve more than 1,800 students in the 2014-15 school year based on an \$18.4 million appropriation from the Florida legislature. Notably, Florida's ESA program is administered by approved nonprofit organizations that reimburse parents for approved expenses. One nonprofit has developed a payment process for parents who cannot make purchases out of pocket. It is encouraging to see Florida take an innovative approach to delivering services and educational choice programs to more families. States interested in pursuing ESA programs should be encouraged to develop state-specific means to administer the program, whether it is a government agency or nonprofit organization.

GOVERNING STATUTES

Fla. Stat. §§393.063 & 1002.385

LATEST STATS (2014-15)

Participating students: **1,265**

Participating schools: **N.A.**

Average account value: **\$10,119 (projected)**

Percent of Florida K-12 students
eligible for Personal Learning
Scholarship Accounts

12%

PARENT REQUIREMENTS

- Must sign an agreement to:
 - ✓ Enroll the student in a school or program that meets minimum student attendance requirements
 - ✓ Use program funds only for authorized purposes, according to the goals and objectives identified in the student's individual learning service plan, including:
 - Instructional materials
 - Curriculum
 - Specialized services by approved providers, including applied behavior analysis services, services provided by speech-language pathologists, occupational therapy services, services provided by physical therapists, services provided by listening and spoken language specialists and an appropriate acoustical environment for a child who is deaf or hard of hearing and who has received an implant or assistive hearing device
 - Enrollment in, or associated tuition or fees associated with enrollment in, an eligible private school, an eligible postsecondary educational institution, an authorized private tutoring program, a virtual program offered by an approved private online provider, or an approved online course
 - Fees for nationally standardized, norm-referenced achievement tests, Advanced Placement examinations, industry certification examinations, assessments related to postsecondary education, or other assessments specified in the student's individual learning service plan
 - Contributions to a Coverdell education savings account
 - Contributions to the Stanley G. Tate Florida Prepaid College Program
 - Contracted services provided by a public school or school district
 - ✓ Ensure student takes the state assessment test or a nationally standardized, norm-referenced achievement test and any other required assessments
 - ✓ Notify the local school district that the student is participating in the program
 - ✓ Request participation in the program at least 60 days before the date of the first program payment
 - ✓ Affirm that the student remains in good standing with the provider or school (if either option is selected)
 - ✓ Apply for admission to a private school (if private school option is selected)
 - ✓ Annually renew participation in the program
 - ✓ Be responsible for the payment of all eligible expenses over the PLSA amount
 - ✓ Affirm that any college savings funds will not be transferred to another beneficiary
 - ✓ Affirm that they will not take possession of any funding contributed by the state
 - ✓ Maintain a portfolio of records and materials, which must be preserved for two years and be made available for inspection by the district superintendent or their designee upon 15 days written notice, consisting of:
 - A log of educational instruction and services, which is made contemporaneously with delivery of the instruction and services and which designates any reading materials used
 - Samples of any writings, worksheets, workbooks, or creative materials used or developed by the student

GEORGIA



Georgia Special Needs Scholarship Program

Enacted 2007 • Launched 2007 • Voucher

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

STUDENT FUNDING

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

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

O.C.G.A. §§20-2-2110 through 20-2-2118

LATEST STATS (2013-14)

Students participating: **3,416**

Schools participating: **211**

Average voucher value: **\$5,386**

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

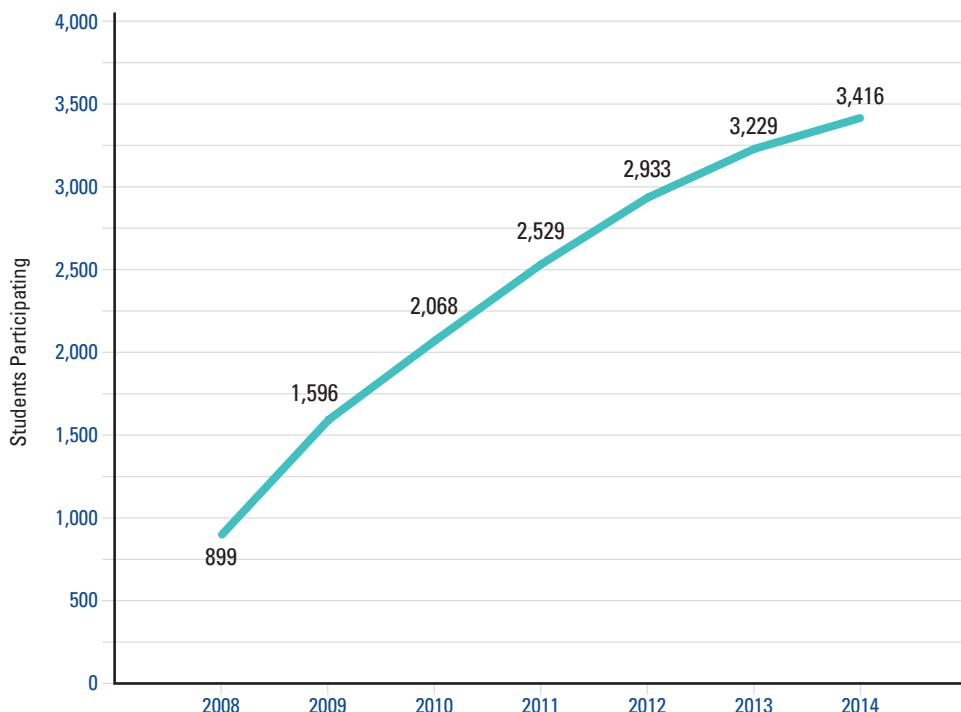
11%

SCHOOL REQUIREMENTS

- Notify state regarding intention to participate
- Demonstrate financial viability
- Comply with federal nondiscrimination requirements of 42 U.S.C. s 2000d
- Comply with state health and safety requirements
- Be accredited or in the process of becoming accredited
- Teachers must have a bachelor's degree or three years' experience in education or health
- Provide parents with teachers' credentials
- Report to parents and state regarding students' academic progress

GA

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



GEORGIA



Qualified Education Expense Tax Credit

Enacted 2008 • Launched 2008 • Tax-Credit Scholarship

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

STUDENT FUNDING

Scholarship amounts are determined by SSOs, capped only by the average state and local expenditures per child for public elementary and secondary education in the entire state. For the 2014-15 school year, scholarships are capped at \$9,247.

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

O.C.G.A. §§20-2A-1 through 7 and 48-7-29.16

LATEST STATS (2013)

Students participating: **13,268**

Schools participating: **N.A.**

Scholarship organizations: **27**

Average scholarship value: **\$3,515**

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

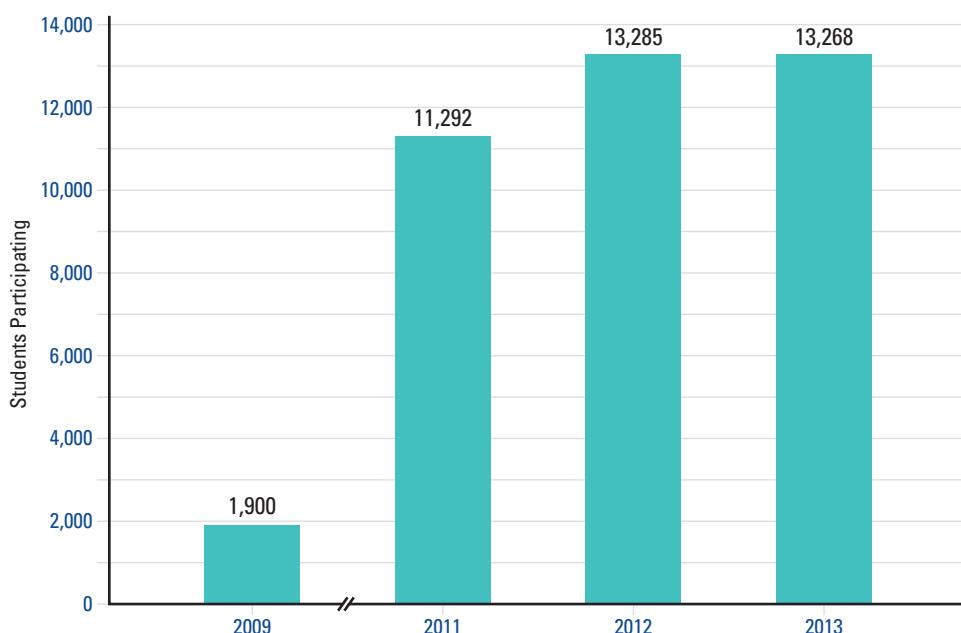
94%

SSO REQUIREMENTS

- Use at least 90 percent of contributions for scholarships
- Make scholarships available for more than one school
- Have an independent board of directors
- Ensure donors cannot designate their donation to any particular individual student
- Submit annually to the state:
 - ✓ Data on accepted contributions and tax credits approved
 - ✓ Independent review of financial statements by a certified public accountant
 - ✓ Total number of students and total dollar value of scholarships awarded each year
- Publicly disclose annually:
 - ✓ Total number of scholarships approved
 - ✓ Total number and amount of donations received
 - ✓ Average household income of scholarship recipients



Participation in Georgia's tax-credit scholarship program is holding steady at about 13,000 students.



ILLINOIS

Tax Credits for Educational Expenses

Enacted 1999 • Launched 2000 • Individual Tax Credit



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

TAX CREDIT VALUE

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

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

35 ILCS5/.201(m)

LATEST STATS (2012)

Taxpayers participating: **293,813**

Average tax credit value: **\$274**

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

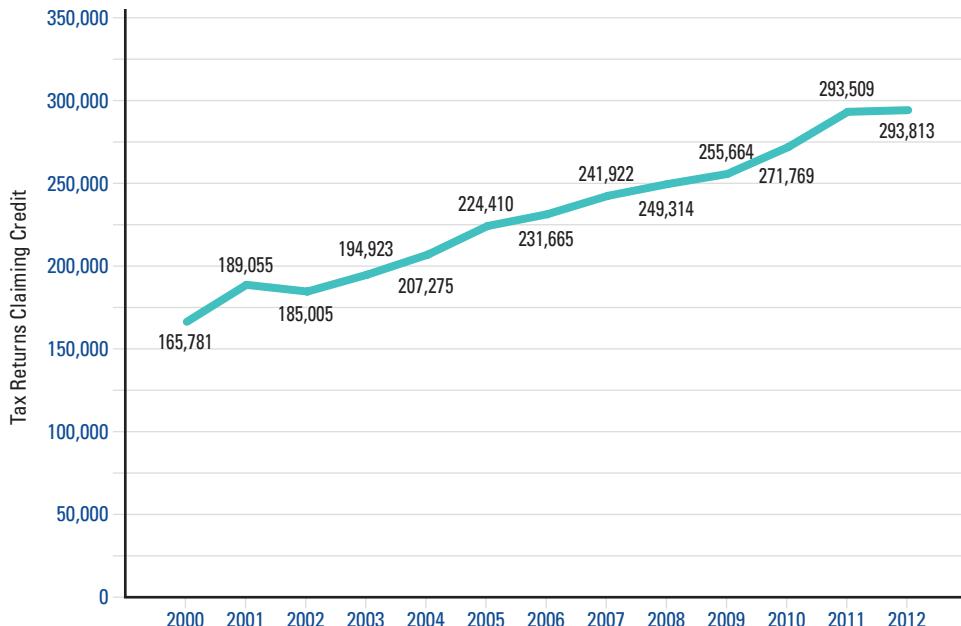
100%

PARENT REQUIREMENTS

- Must ensure students are residents of Illinois, under the age of 21 at the close of the school year, and were full-time pupils in grades K-12 in any qualifying public or nonpublic elementary or secondary school



Usage of Illinois' individual tax credits for education expenses increased by more than 77 percent from 2000 to 2012, the last year of publicly available data.



INDIANA



School Scholarship Tax Credit

Enacted 2009 • Launched 2010 • Tax-Credit Scholarship

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

STUDENT FUNDING

Scholarship amounts are determined by SGOs.

STUDENT ELIGIBILITY

Children are eligible to receive scholarships if their family income does not exceed 200 percent of the guidelines needed to qualify for the free and reduced-price lunch program (\$88,246 for a family of four in 2014-15). Children must be between ages five and 22 to participate. Current private school students can qualify. Also, qualifying students must have been (1) enrolled in kindergarten, (2) a scholarship recipient in the previous school year from a nonprofit organization that qualifies for certification as an SGO, or (3) a scholarship recipient in the previous school year under this program.

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

Ind. Code §§6-3.1-30.5 and 20-51-1 through 3

LATEST STATS (2013-14)

Scholarships awarded: **11,067**

Schools participating: **N.A.**

Scholarship organizations: **4**

Average scholarship value: **\$1,064**

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

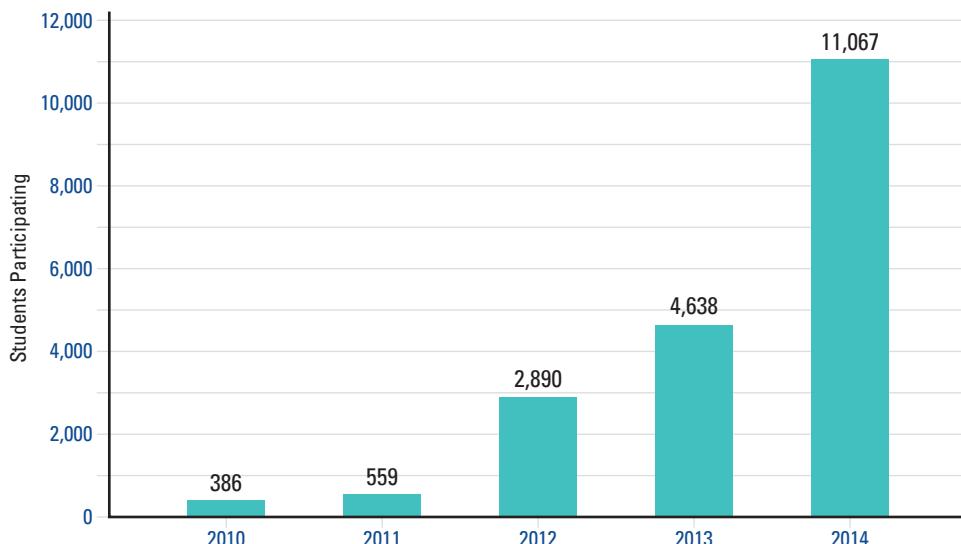
50%

SGO REQUIREMENTS

- Use at least 90 percent of contributions for scholarships
- Certified by the state
- Make scholarships available for more than one school
- Conduct criminal background checks on all SGO employees and board members
- Have an outside financial audit conducted and provide an annual report to the state



Enrollment in Indiana's tax-credit scholarship program more than doubled from 2013 to 2014.



INDIANA

Choice Scholarship Program

Enacted 2011 • Launched 2011 • Voucher



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

STUDENT FUNDING

Students from families that qualified for the federal free and reduced-price lunch (FRL) program can receive a voucher worth up to 90 percent of the state per-student spending amount for the sending school district. Students from families earning 150 percent of that same threshold can receive a voucher worth up to 50 percent of the state funding allocation for the sending district. The voucher amount, however, is capped at \$4,800 for students in grades K-8. Families can supplement vouchers with additional funds. Students eligible to receive special education funds are now eligible to use those funds for special education services at a voucher-accepting school.

STUDENT ELIGIBILITY

Children must be between ages five and 22 to participate. Eligible students include: (1) students who attended a public school (including a charter school) for the preceding two semesters and who are from families earning up to (but not exceeding) 150 percent of FRL (\$66,184 for a family of four in 2014-15), (2) students with disabilities that have an Individualized Education Plan and who are from families earning up to (but not exceeding) 200 percent of FRL (\$88,246 for a family of four in 2014-15), (3) students who attended or would attend a public school designated "F" and who are from families earning up to (but not exceeding) 150 percent of FRL, (4) students or siblings of students who received a minimum of a \$500 tax-credit scholarship in the previous school year from a Scholarship Granting Organization, or (5) students who received a voucher in the previous school year under this program and are from families earning up to (but not exceeding) 200 percent of FRL.

FRIEDMAN FEEDBACK

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

LATEST STATS (2014-15)

Participating students: **29,146**

Participating schools: **314**

Average voucher value: **\$3,986** (2013-14)

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

41%

GOVERNING STATUTES

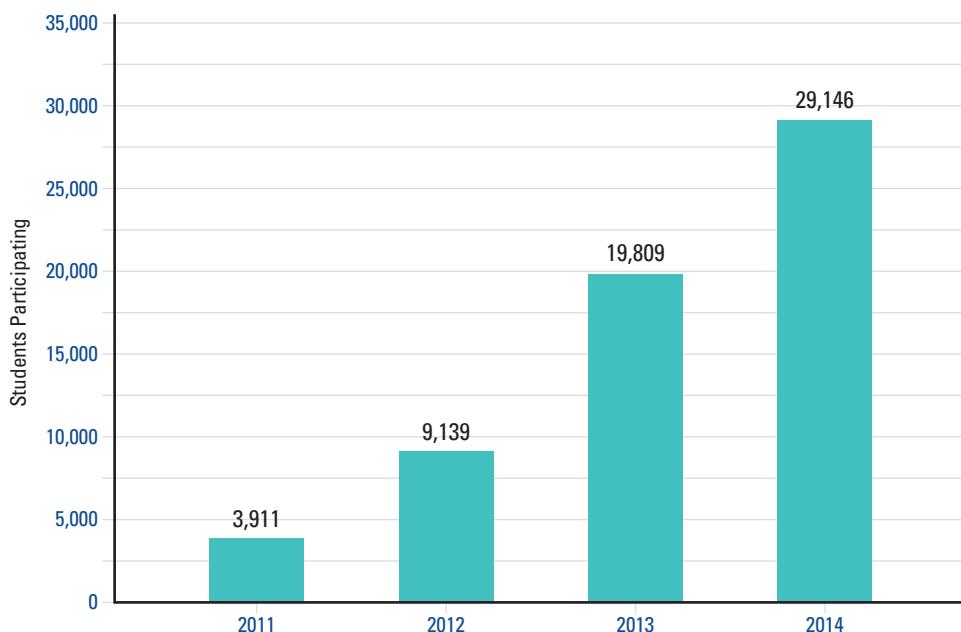
Ind. Code §§20-51-1 through 4

SCHOOL REQUIREMENTS

- Be accredited by either the state board or a national or regional accreditation agency that is recognized by the state board
- Comply with health and safety codes
- Must not discriminate on basis of race, color, or national origin
- Conduct criminal background checks on employees
- Submit to the state financial reporting on the amount of government funding received, funding disbursed, and school's total disbursements
- Administer the Indiana Statewide Testing for Educational Progress (ISTEP) program and report to the state data for A–F ratings including ISTEP scores and graduation rates
 - ✓ To remain eligible to accept new scholarship students, a school must not be rated as "D" or "F" for two or more consecutive years
- Must grant the state full access to its premises for observing classroom instruction and reviewing any instructional materials and curriculum
- Provide civic and character education and display related historical documents



Nearly 30,000 students are enrolled in Indiana's voucher program.



INDIANA



Private School/ Homeschool Deduction

Enacted 2011 • Launched 2011 • Individual Tax Deduction

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

TAX DEDUCTION VALUE

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

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

Ind. Code §6-3-2-22

LATEST STATS (2013)

Taxpayers participating: **54,278**

Average tax deduction: **\$1,751**

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

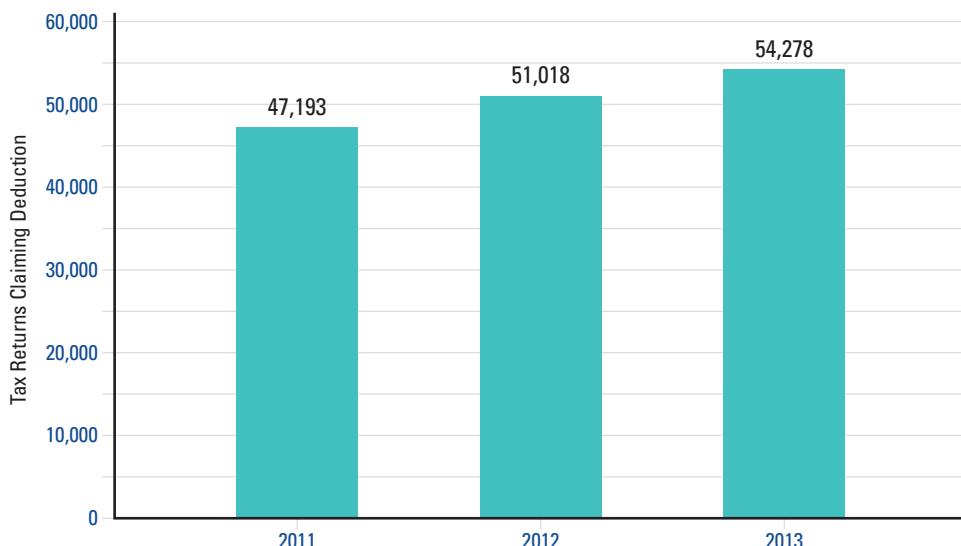
10%

PARENT REQUIREMENTS

- Must claim the deduction on their annual state tax return or returns in a manner prescribed by the department of revenue
- Must claim only unreimbursed education expenditures made in connection with enrollment, attendance, or participation of dependent child in a private elementary or high school education program, including:
 - ✓ Tuition
 - ✓ Fees
 - ✓ Computer software
 - ✓ Textbooks
 - ✓ Workbooks
 - ✓ Curricula
 - ✓ School supplies (other than personal computers)
 - ✓ Other written materials used primarily for academic instruction and/or academic tutoring



Indiana's deduction program for schooling expenses grew by more than 3,200 tax return claims from 2012 to 2013.



IOWA



Tuition and Textbook Tax Credit

Enacted 1987 • Launched 1987 • Individual Tax Credit

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

TAX CREDIT VALUE

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

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

Iowa Code §422.12

LATEST STATS (2012)

Taxpayers participating: **138,198**

Average tax credit value: **\$111**

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

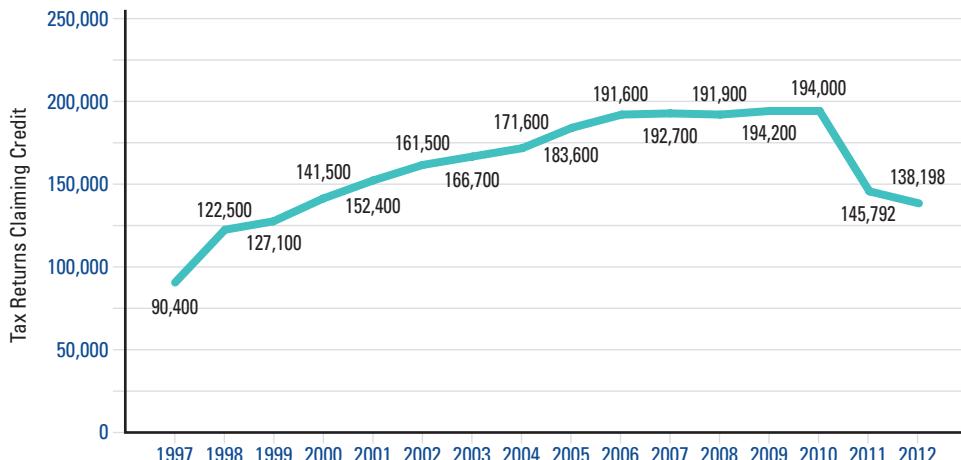
100%

PARENT REQUIREMENTS

- Must spend at least \$1,000 in educational expenses, including tuition and textbooks of each dependent in attending an accredited or approved nonprofit elementary or secondary school
- Must have a state tax liability of at least \$250

IA

Usage of Iowa's individual tax credits for education expenses decreased by 29 percent from 2010 to 2012, the last year of publicly available data.



IOWA



School Tuition Organization Tax Credit

Enacted 2006 • Launched 2006 • Tax-Credit Scholarship

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

STUDENT FUNDING

Scholarship amounts are determined by STOs.

STUDENT ELIGIBILITY

Children are eligible to receive scholarships if their family income does not exceed 300 percent of federal poverty guidelines (\$71,550 for a family of four in 2014-15).

FRIEDMAN FEEDBACK

The \$12 million cap on funding for scholarships is too low to provide adequate choice for eligible families. The program, however, does have reasonable regulations on private schools that participate. A school must be accredited, but schools are able to choose independent accrediting agencies outside of the state department of education. Additionally, each STO is able to independently set its own scholarship granting criteria. Because the funding cap is too low, an automatic escalator for the tax-credit cap, similar to Florida's, would allow the program to grow with the demand for scholarships.

GOVERNING STATUTES

Iowa Stat. §422.11S

LATEST STATS (2013-14)

Students participating: **10,475**

Schools participating: **153**

Scholarship organizations: **12**

Average scholarship value: **\$1,209**

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

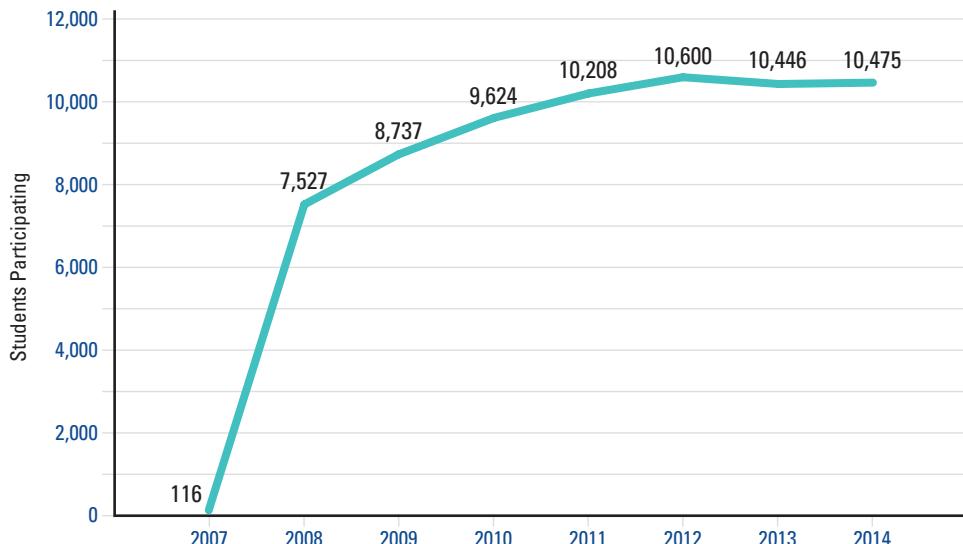
34%

STO REQUIREMENTS

- Use at least 90 percent of contributions for scholarships
- Make scholarships available for more than one school
- Annual review of financial statements by public accounting firm
- Submit data to the state on accepted contributions, grants awarded, and participating schools

IA

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



KANSAS



Tax Credit for Low Income Students Scholarship Program

Enacted 2014 • Launching 2015 • Tax-Credit Scholarship

Kansas' Tax Credit for Low Income Students Scholarship Program allows corporations to claim a 70 percent tax credit for contributions to approved Scholarship Granting Organizations (SGOs), nonprofits that provide private school scholarships. There is no limit on the dollar amount of the tax credit that can be claimed; although the total amount of tax credits awarded statewide is limited to \$10 million.

STUDENT FUNDING

Each SGO determines the amount of the scholarships it distributes, but no scholarship amount can exceed \$8,000 to cover tuition, fees, expenses, and the costs of transportation by a qualified school.

STUDENT ELIGIBILITY

Children are eligible to receive scholarships if their family income does not exceed 100 percent of the guidelines needed to qualify for the free lunch program (\$31,005 for a family of four in 2014-15); they also must be assigned to a Title 1 Focus School or a Title 1 Priority School ("Failing Schools"). Children must be between ages five and 21 to participate. In addition, children must have been enrolled in any public school the previous school year, unless the child is less than six years of age.

FRIEDMAN FEEDBACK

Kansas' tax-credit scholarship program is a good starting point for the state's pursuit of private school choice, but it has a long way to go to provide families with increased choices. The \$8,000 scholarship amount is high enough to provide even the poorest families with options to almost all private schools in Kansas, yet it provides enough flexibility for each SGO to determine the needs of their individual students. However, student eligibility could be improved. By simply removing the failing schools requirement, this program would be simpler for parents to ascertain eligibility and for private schools to effectively reach students. Second, any increase in the income requirement would exponentially expand the program to even more families. A simple extension of families up to 185 percent of the federal poverty limit would make scholarships available to an even greater number of low-income Kansans.

LATEST STATS (2014-15)

Participating students: **N.A.**

Participating schools: **N.A.**

Average scholarship value: **N.A.**

Percent of Kansas families meeting the
Tax Credit for Low Income Students
Scholarship Program's income requirement

14%

GOVERNING STATUTES

K.S.A. §§72-99a01(Supp) through 72-99a07 (Supp); 79-32,138 (Supp)

SGO REQUIREMENTS

- Use at least 90 percent of contributions for scholarships within 36 months of receiving the contributions
- Must issue a receipt prescribed by the Secretary of Revenue to any contributing taxpayer
- Must receive written verification from the State Board of Education that the student is eligible prior to awarding an educational scholarship to a student previously enrolled in a public school
- Provide the parent's consent to the State Board of Education for determining the eligibility of the student
- Notify the Secretary of Revenue and State Board of Education of intent to provide services
- Report to the State Board of Education all students receiving a scholarship
- Verify to the Secretary of Revenue that the SGO is exempt from all federal income tax
- Provide the State Board of Education a surety bond or financial information demonstrating the SGO's ability to pay the amount expected to be received during the school year, if the SGO exceeds \$50,000 in donations
- Ensure qualified schools receiving scholarships are in compliance with the requirements of the program
- Have accounts examined and audited by a certified public accountant at the end of the calendar year for verification that the education scholarships that were awarded were distributed to eligible students; file a copy of the audit with the State Board of Education no later than June 30 for the preceding calendar year
- Annually report to the state:
 - ✓ Data on accepted contributions, scholarships awarded, and participating schools

LOUISIANA



Louisiana Scholarship Program

Enacted 2008 • Launched 2008 • Voucher

Louisiana's statewide voucher program is available to low-income students in low-performing public schools.

STUDENT FUNDING

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

STUDENT ELIGIBILITY

Students are eligible if their family income is no more than 250 percent of the federal poverty line (\$59,625 for a family of four in 2014-15) and they either (1) attended a public school designated as "C," "D," "F," or "T" in the previous year, (2) are entering kindergarten, or (3) were enrolled at a public school in the Recovery School District. If more students apply than the program will allow, participation is determined by random lottery. If a particular private school is oversubscribed under the program, the state department of education must conduct a randomized lottery to award seats in that school. In that lottery, students from public schools rated "D" or "F" receive priority over students from public schools rated "C."

FRIEDMAN FEEDBACK

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

LATEST STATS (2014-15)

Students participating: **7,362**

Schools participating: **131**

Average voucher value: **\$5,546**

Percent of Louisiana families meeting
the Louisiana Scholarship Program's
income requirement

41%

GOVERNING STATUTES

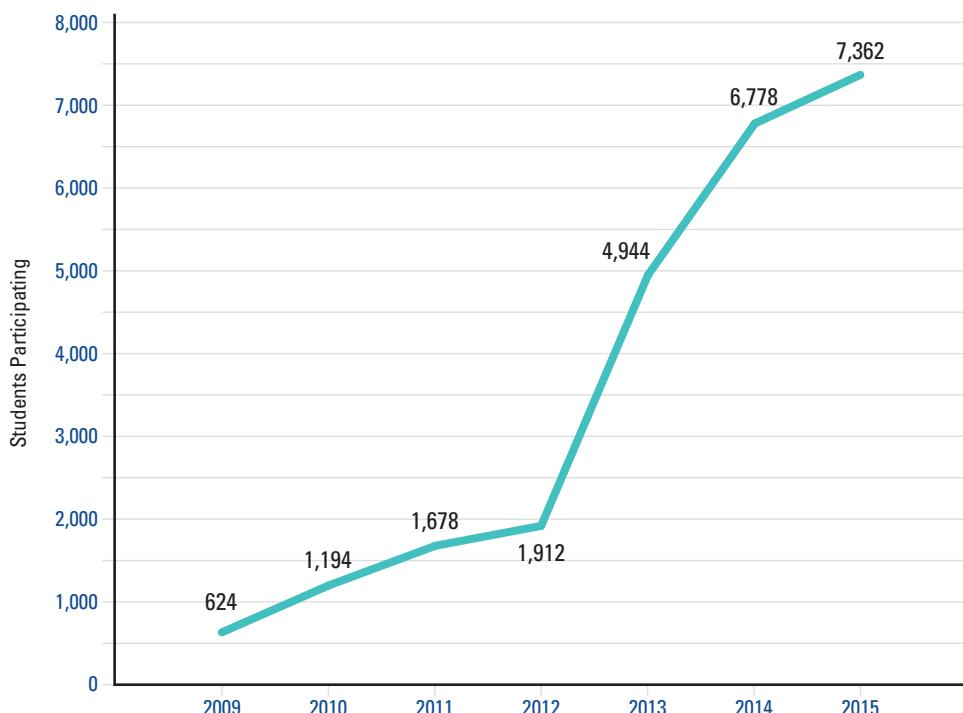
La. Rev. Stat. §§17:4011 through 4025

SCHOOL REQUIREMENTS

- Must be approved by the state to participate
- Comply with health and safety codes
- Not discriminate on basis of race, color, or national origin
- Use an open admissions process in enrolling scholarship recipients
- Administer all Louisiana state examinations required under the school and district accountability system
- Receive a Scholarship Cohort Index of at least 50 to remain eligible to accept new students
- Private schools in operation fewer than two years are not allowed to have 20 percent or more of its students participating in this program
- Submit to the state an annual independent financial audit conducted by a certified public accountant
- Conduct criminal background checks on all school employees
- Maintain a curriculum of quality at least equal to that prescribed for public schools



Enrollment in Louisiana's voucher program has nearly quadrupled since 2012, when the program expanded statewide.



LOUISIANA



Elementary and Secondary School Tuition Deduction

Enacted 2008 • Launched 2008 • Individual Tax Deduction

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

TAX DEDUCTION VALUE

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

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

La. Rev. Stat. §§47:293(9)(a)(xiv) and 297.10

LATEST STATS (2012)

Taxpayers participating: **106,549**

Average tax deduction: **\$4,060**

Percent of Louisiana K-12 students whose parents/guardians are eligible for Elementary and Secondary School Tuition Deductions

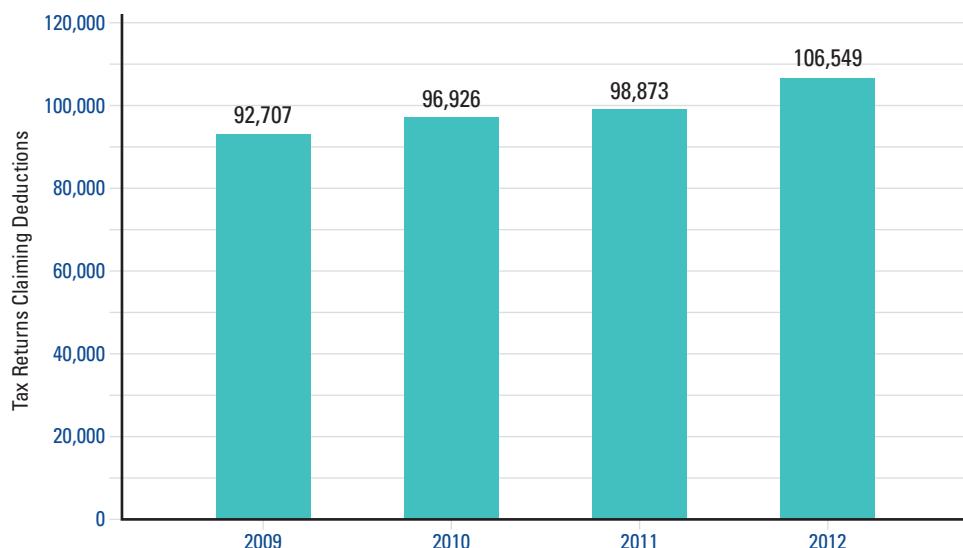
14%

SCHOOL REQUIREMENTS

- Must enroll student in a compliant private elementary or secondary school or any public elementary or secondary laboratory school operated by a public college or university
- Must claim only elementary and secondary school tuition, including:
 - ✓ School uniforms required by schools for general day-to-day use
 - ✓ Textbooks, curricula, or other instructional materials required by schools
 - ✓ School supplies required by schools



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



LOUISIANA



School Choice Program for Certain Students with Exceptionalities

Enacted 2010 • Launched 2011 • Voucher

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

STUDENT FUNDING

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

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

La. Rev. Stat. §17:4031

LATEST STATS (2014-15)

Students participating: **311**

Schools participating: **19**

Average voucher value: **\$2,213**

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

6%

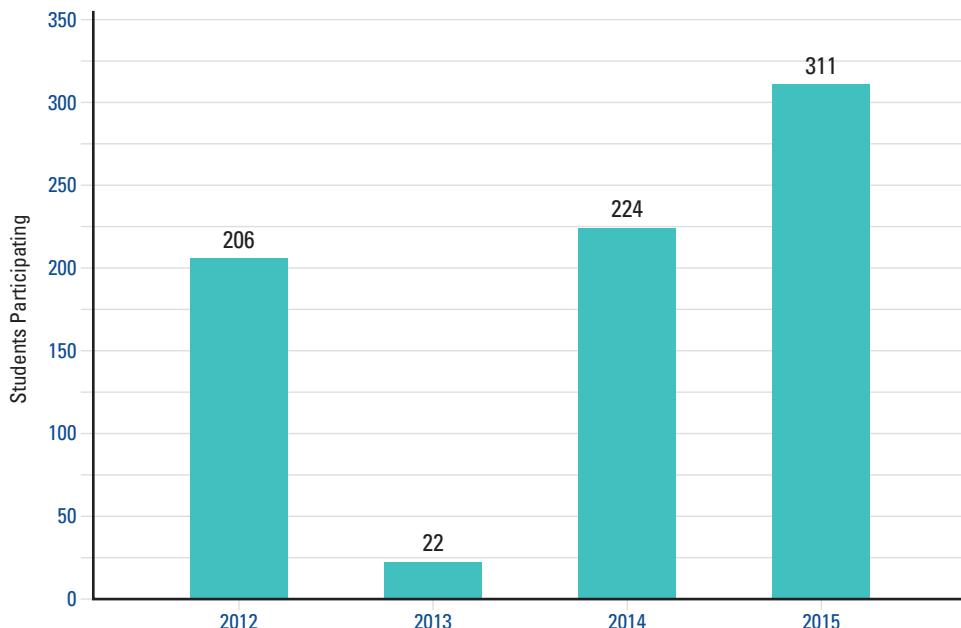
*Includes only Caddo, East Baton Rouge, Jefferson, Lafayette, Orleans, and St. Tammany parishes

SCHOOL REQUIREMENTS

- Be approved by the state to participate
- Comply with state nondiscrimination and health and safety requirements
- Have existed and provided educational services to students with special needs for two years prior to participating in the program
- Teachers must be certified to teach special education

LA

Enrollment in Louisiana's voucher program for students with special needs grew by nearly 39 percent since last year.



LOUISIANA



Tuition Donation Rebate Program

Enacted 2012 • Launched 2012 • Tax-Credit Scholarship

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

STUDENT FUNDING

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

STUDENT ELIGIBILITY

Students must come from families whose household income is less than 250 percent of the federal poverty line (\$59,625 for a family of four in 2014-15). Additionally, they either must be entering kindergarten, have attended a public school during the previous school year, or have previously received a scholarship. Students who received a voucher under the Louisiana Scholarship Program in the previous school year are also eligible.

FRIEDMAN FEEDBACK

Louisiana's tax-credit scholarship program is very strong on funding, as there is no cap on the amount of rebates donors can claim; moreover, individual scholarships can be worth up to 80 percent of the average state funding per pupil in grades K-8 and 90 percent in grades 9-12. However, the program unnecessarily limits eligibility based on income and enrollment status. As a result, only about 41 percent of students statewide qualify to receive scholarships. The program also places a number of regulations on participating schools: Schools must use lotteries to admit students and administer the state math and language arts tests to scholarship students, both of which could dissuade private schools from participating. For this promising program to grow successfully, less pressure should be placed on participating private schools and eligibility should be expanded to include all students, particularly because Louisiana already has a means-tested voucher program.

GOVERNING STATUTES

La. Rev. Stat. §47:6301

LATEST STATS (2014-15)

Students participating: **53**

Schools participating: **20**

Scholarship organizations: **2**

Average scholarship value: **\$3,726**

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

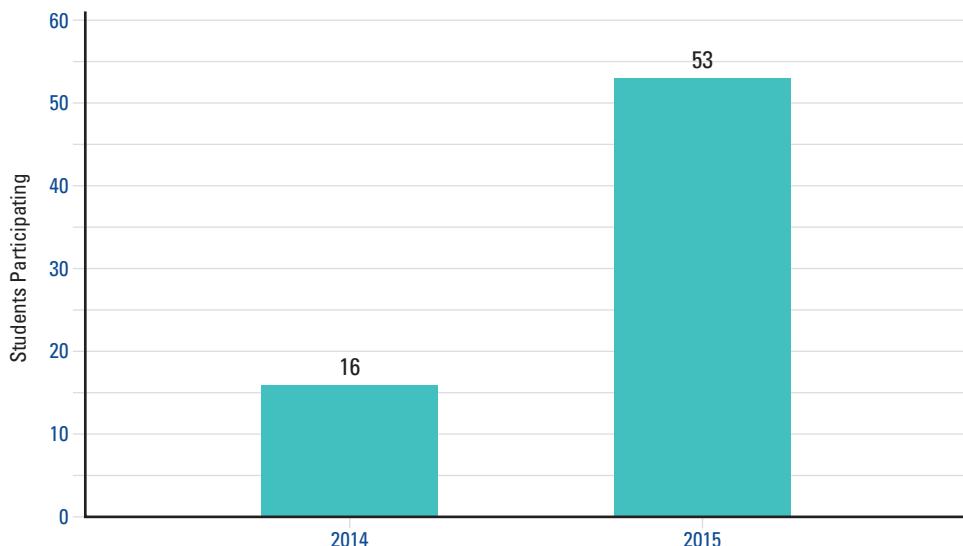
41%

STO REQUIREMENTS

- Use at least 95 percent of contributions for scholarships
- Conduct background checks on its employees and board members
- Report annually to the state:
 - ✓ Total number and dollar amount of contributions received
 - ✓ Total number and dollar amount of scholarships awarded
 - ✓ Total amount expended on administrative costs
 - ✓ Tuition and fee amounts published by participating schools
 - ✓ Information on contributions made by each contributor
 - ✓ Financial information report by a certified public accountant

LA

Though still very small in size, enrollment in Louisiana's tuition rebate program more than tripled since last year.



MAINE

Town Tuitioning Program

Launched 1873 • Voucher



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

STUDENT FUNDING

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

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

Maine Rev. Stat. 20-A §§2951-55

LATEST STATS (2013-14)

Students participating: **5,635**

Schools participating: **64**

Maximum voucher value: **\$7,536 (K-8),**

\$9,840 (9-12), \$9,210 (out of state)

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

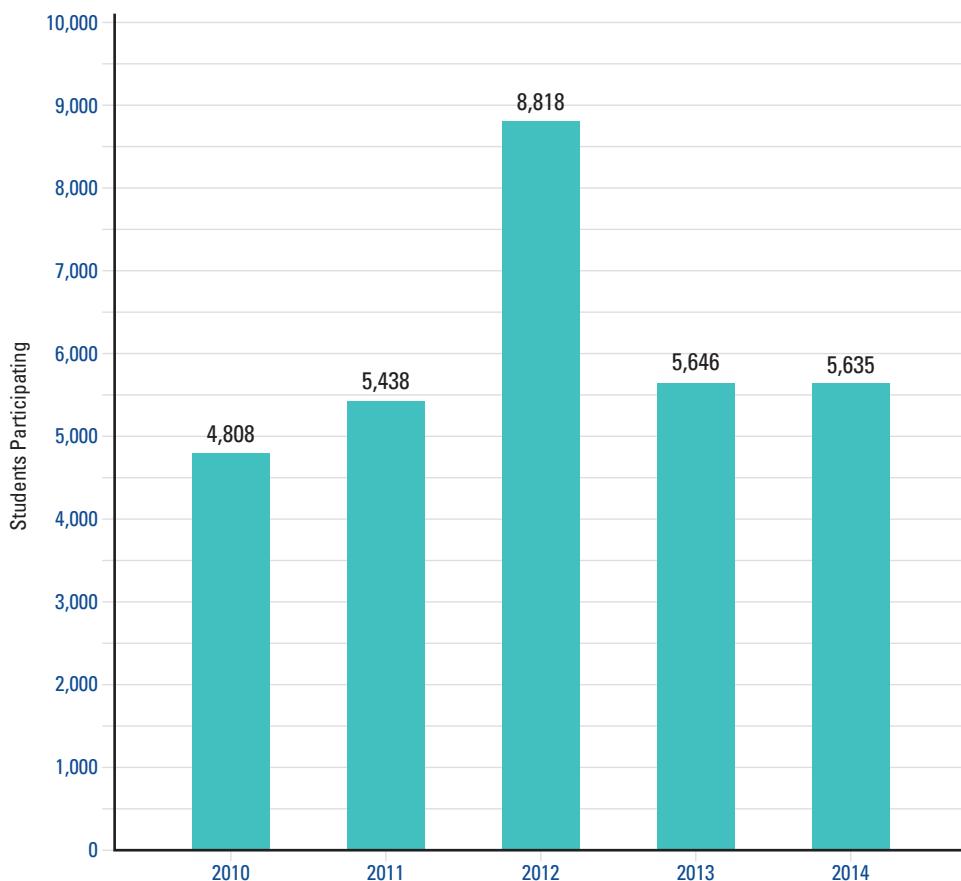
3%

SCHOOL REQUIREMENTS

- Must meet the requirements for basic school approval
- Must be nonsectarian
- Comply with reporting and auditing requirements
- If enrolling 60 percent or more students under the Town Tuitioning Program, must participate in the statewide assessment program
- Upon the request of a school unit, release copies of all student records for students transferring from the private school to the school unit
- Annually report to the commissioner any information they may require



Participation in Maine's Town Tuitioning Program is down by more than one-third since 2012, but more students are enrolled now compared with 2011.



MINNESOTA

Education Deduction

Enacted 1955 • Launched 1955 • Individual Tax Deduction



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

TAX DEDUCTION VALUE

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

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

Minnesota has one of the oldest school choice programs in the country, but unfortunately that age is showing. The deduction amount is far below what would offer truly meaningful choice for parents, especially parents on the lower side of the income scale. Increasing the deduction size would offer a boost to those parents utilizing school choice. A better option would be to allow tuition to also be covered by Minnesota's tax credit for educational expenses (page 59). Mirroring the funding size of Wisconsin's new tuition tax deduction would move this program in the right direction.

GOVERNING STATUTES

Minn. Stat. §290.01, subdivision 19b(3)

LATEST STATS (2012)

Taxpayers participating: **222,021**

Average tax deduction: **\$1,171**

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

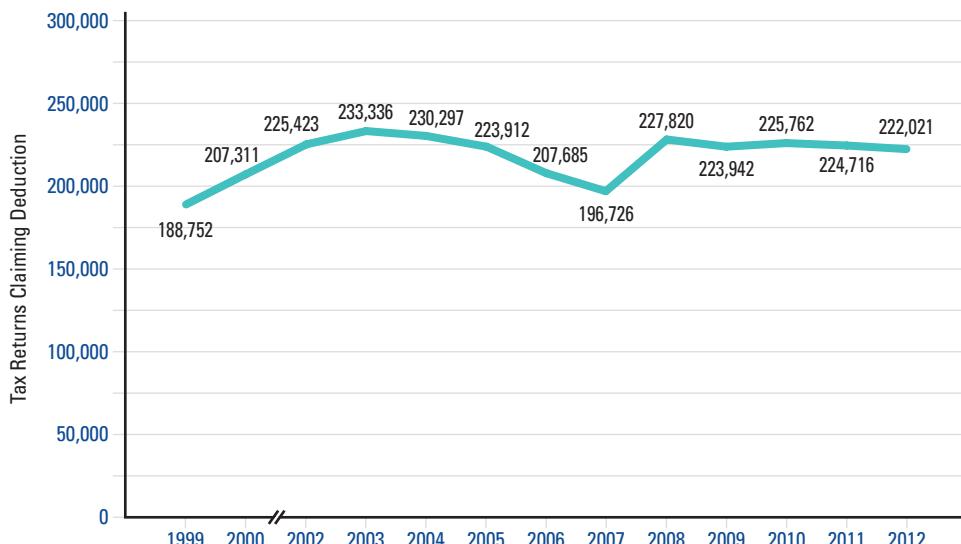
100%

PARENT REQUIREMENTS

- Must ensure students attend a school located in Minnesota, Iowa, North Dakota, South Dakota, or Wisconsin
- May not include self-transportation of students as an expense, but may include monies paid to others for transporting students to school



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



MINNESOTA

K-12 Education Credit

Enacted 1997 • Launched 1998 • Individual Tax Credit



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

TAX CREDIT VALUE

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

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

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

Minn. Stat. §290.0674

LATEST STATS (2012)

Taxpayers participating: **53,516**

Average tax credit value: **\$276**

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

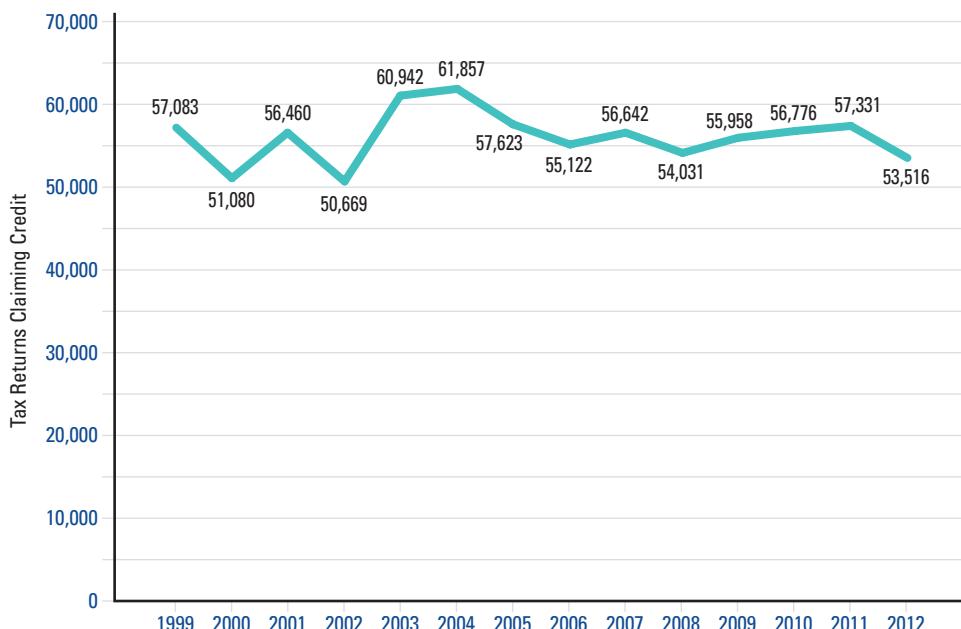
18%

PARENT REQUIREMENTS

- Must ensure filing status is not married filing separate
- May not include private school tuition as an expense



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



MISSISSIPPI

Mississippi Dyslexia Therapy Scholarship for Students with Dyslexia Program

Enacted 2012 • Launched 2012 • Voucher



Mississippi allows children with dyslexia to receive vouchers to attend accredited private schools that provide dyslexia therapy.

STUDENT FUNDING

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

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

Miss. Code Ann. §§37-173-1 through 31

LATEST STATS (2014-15)

Students participating: **116**

Schools participating: **3**

Average voucher value: **\$4,701**

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

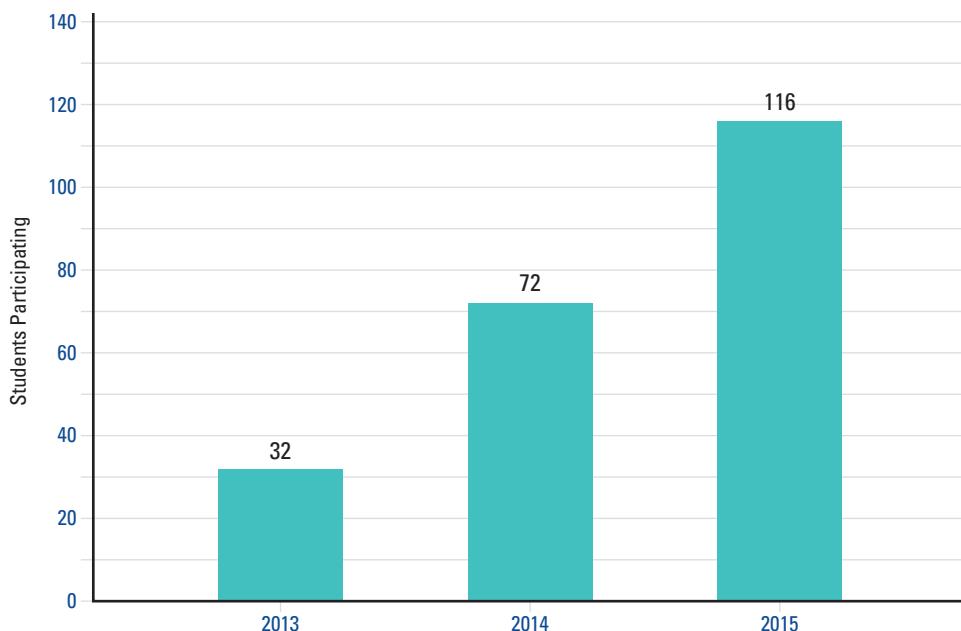
2%

SCHOOL REQUIREMENTS

- Be a state-accredited special-purpose school
- Provide comprehensive dyslexia therapy instruction delivered by state
- Have department of education-licensed dyslexia therapists to children diagnosed with dyslexia as a primary learning disability
- Provide the state all documentation required for a student's participation
- Provide parents with a written explanation of the student's progress
- Conduct background checks on teachers and other school personnel
- Submit to annual audits of financial records by the state auditor



Enrollment in Mississippi's voucher program for students with dyslexia increased by 61 percent from 2014 to 2015.



MISSISSIPPI

Nate Rogers Scholarship for Students with Disabilities Program

Enacted 2013 • Launched 2013 • Voucher

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

STUDENT FUNDING

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

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

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

LATEST STATS (2014-15)

Participating students: **14**

Participating schools: **1**

Average voucher value: **\$5,155**

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

3%

GOVERNING STATUTES

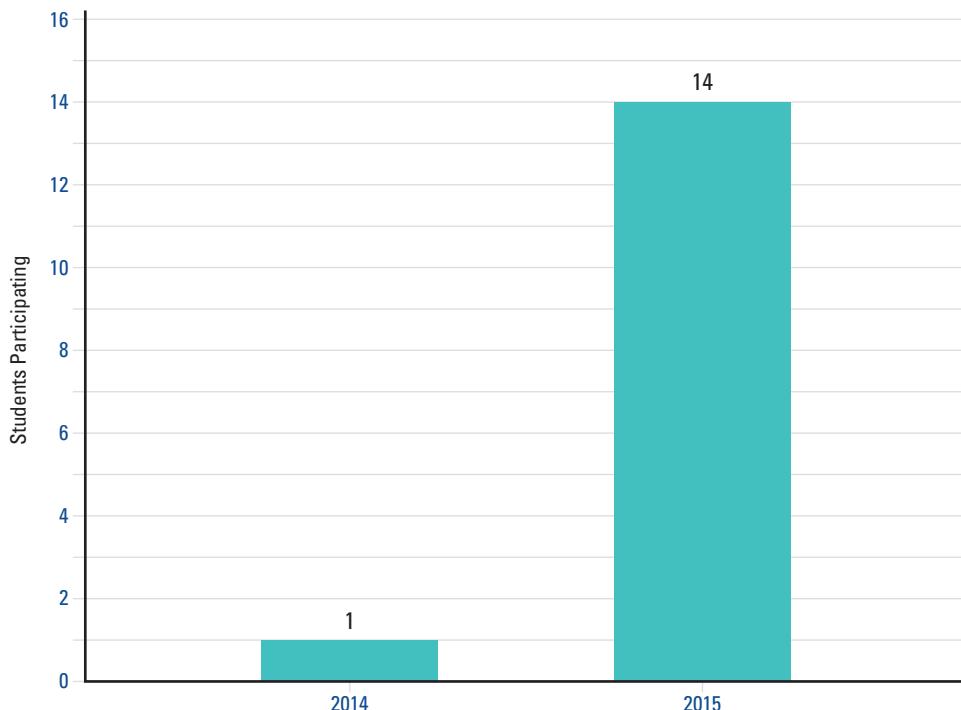
Miss. Code Ann. §§37-175-1 through 29

SCHOOL REQUIREMENTS

- Be approved as a state-accredited nonpublic special-purpose school that is organized to provide, and emphasizes instruction in, speech-language therapy and intervention as the primary purpose of the school
- Provide comprehensive speech-language therapy instruction delivered by speech-language pathologists licensed by the state department of education and the American Speech-Language-Hearing Association
- Annually provide the parents of voucher students a written explanation of the student's progress
- Conduct criminal background checks on employees
- Allow for an annual audit of its financial records by the state auditor and file a copy of the audit report and accompanying management letter with the state board of education



Enrollment in Mississippi's voucher program for students with speech-language impairments is limited but has increased since its creation.



NEW HAMPSHIRE

Education Tax Credit Program

Enacted 2012 • Launched 2013 • Tax-Credit Scholarship



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

STUDENT FUNDING

The average value of all scholarships given by a scholarship organization cannot exceed \$2,541, except for students with special needs, whose scholarships cannot be less than \$4,375. That amount is adjusted each year to reflect the changes in the Consumer Price Index. For homeschoilers, the scholarship is limited to 25 percent of the program's average scholarship, or \$625.

STUDENT ELIGIBILITY

Students must be ages five to 20 and come from households where family income is less than 300 percent of the federal poverty line (\$71,550 for a family of four in 2014-15). In the first two years of the program, scholarship organizations are required to award 70 percent of scholarship funds to students who previously attended a public school or who already received a scholarship. Additionally, 40 percent of scholarships awarded must be given to students who qualify for the federal free and reduced-price lunch program.

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

N.H. Rev. Stat. §§77-G:1-10

LATEST STATS (2013-14)

Students participating: **40**

Schools participating: **13**

Scholarship organizations: **1**

Average scholarship value: **\$1,316**

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

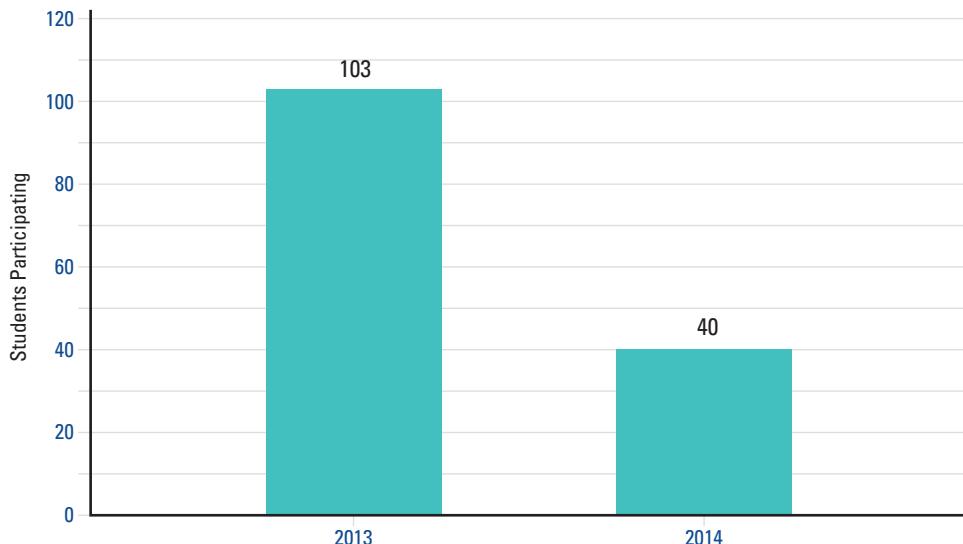
65%

SCHOLARSHIP ORGANIZATION (SO) REQUIREMENTS

- Use at least 90 percent of contributions for scholarships
- Comply with state and federal antidiscrimination and privacy laws
- Be registered with the director of charitable trusts
- Be approved by the state
- In awarding scholarships to students who attended public school or who received a scholarship the previous year, award at least 40 percent of scholarships to students who qualified for free and reduced-price lunch in the final year they were in public school
- Must not restrict scholarships for use at a single school and not reserve scholarships for specific students
- Submit to the state:
 - ✓ Total number and dollar amount of scholarships awarded and the percentage of students eligible for free and reduced-price lunch for each of the student eligibility categories
 - ✓ Total dollar amount of donations spent on administrative expenses
 - ✓ Total carryover dollar amount
 - ✓ Total dollar amount of contributions used and not used for scholarships
 - ✓ Number of scholarships distributed, per school, and the dollar range of those scholarships
 - ✓ Analysis, by ZIP Code, of the place of residence for each student receiving a scholarship
 - ✓ Aggregated results of parental satisfaction survey, designed by the state
 - ✓ Number of students who graduated and the number who dropped out of school



Decreased enrollment in New Hampshire's tax-credit scholarship program may be caused by the brief exclusion of religious schools in the 2013-14 school year.



NORTH CAROLINA



Special Education Scholarship Grants for Children with Disabilities

Enacted 2013 • Launched 2014 • Voucher

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

STUDENT FUNDING

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

STUDENT ELIGIBILITY

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

LATEST STATS (Spring 2014)

Participating students: **276**

Participating schools: **113**

Average voucher value: **\$2,760**

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

12%

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

N.C. Rev. Stat. §§112.2-5

SCHOOL REQUIREMENTS

- Meet state nondiscrimination policies
- Comply with health and safety requirements

NORTH CAROLINA



Opportunity Scholarships

Enacted 2013 • Launches 2014 • Voucher

North Carolina awards vouchers statewide to students whose families meet certain income requirements.

STUDENT FUNDING

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

STUDENT ELIGIBILITY

For the first year of the program, students are eligible to receive vouchers if they reside in a household that qualifies for the federal free and reduced-price lunch (FRL) program (\$44,123 for a family of four in 2014-15). Students must also have been attending a public school during the 2014 spring semester. If the program is funded in future years, eligibility increases to households with incomes up to 133 percent of the FRL program, and kindergartners and first-graders qualify for vouchers without having to attend a public school.

FRIEDMAN FEEDBACK

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

LATEST STATS (2014-15)

Participating students: **568**

Participating schools: **109**

Average voucher value: **\$2,016**

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

35%

GOVERNING STATUTES

N.C. Rev. Stat. §§115C-562.1 through 562.7

SCHOOL REQUIREMENTS

- Meet state nondiscrimination policies
- Comply with health and safety requirements
- Be accredited by the state board of education, a national or regional accrediting agency, or an active member of the North Carolina Association of Independent Schools, or receive no funding from state government
- Provide the state with documentation for tuition and fees charged
- Conduct criminal background check on staff member with highest decision-making authority
- Provide parents with an annual written explanation of the student's progress, including scores on standardized achievement tests
- Annually administer a nationally standardized test to voucher students and provide the test results to the state
- Provide graduation rates of voucher students to the state
- Contract with a certified public accountant to perform a financial review for schools accepting students receiving more than \$300,000 in voucher grants

OHIO



Cleveland Scholarship Program

Enacted 1995 • Launched 1996 • Voucher

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

STUDENT FUNDING

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

STUDENT ELIGIBILITY

Children in grades K-12 in the Cleveland Metropolitan School District are eligible. Priority is given to families with incomes less than 200 percent of the federal poverty level (\$47,700 for a family of four in 2014-15). Children from families with incomes above 200 percent of poverty are eligible to receive vouchers if approved by the Ohio Superintendent of Public Instruction. Participating private schools must accept voucher students on a random basis, giving preference to low-income students if they have more applicants than open seats.

FRIEDMAN FEEDBACK

Cleveland's voucher program, one of the oldest in the country, could use some refurbishment. Funding for the program is severely restricted, often times below what a private school is able to charge in tuition. This could get a boost to be closer to what the public school system spends per student (\$11,204), which would greatly benefit the poorest families and schools that would not have to make up the difference in cost. Private school regulations are burdensome, lowering the number of private schools willing to participate, because of mandatory minimum class size requirements, and, at the K-3 level, enrollment based on random lottery, income level, and previous enrollment. Additionally, each year the school must administer annual tests and report that data to the state department of education. A bright spot for the program is that parents above the income threshold are able to participate albeit at a reduced funding level.

GOVERNING STATUTES

Ohio Rev. Code §§3313.974 through 979

LATEST STATS (2014-15)

Students participating: **6,703**

Schools participating: **34**

Average voucher value: **\$4,678** (2013-14)

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

100%

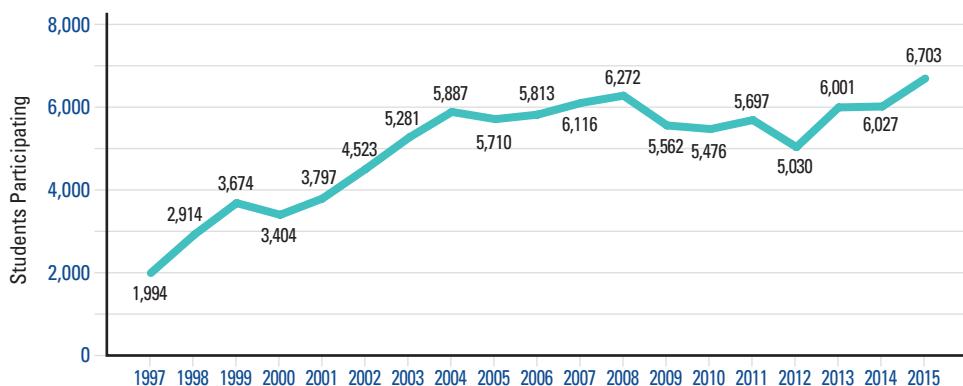
*The Ohio Superintendent must approve families with incomes more than 200 percent of poverty

SCHOOL REQUIREMENTS

- Be registered to participate and chartered by the state
- Meet state standards for chartered nonpublic schools
- Comply with state laws regarding nondiscrimination and health and safety codes
- Administer the state tests, including the Ohio Graduation Test

OH

The number of Cleveland students using vouchers increased by 11 percent since 2014.



OHIO



Autism Scholarship Program

Enacted 2003 • Launched 2004 • Voucher

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

STUDENT FUNDING

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

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

Ohio Rev. Code §§3310.41 through 43

LATEST STATS (2014-15)

Students participating: **2,934**

Service providers participating: **272**

Average voucher value: **\$19,789** (2013-14)

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

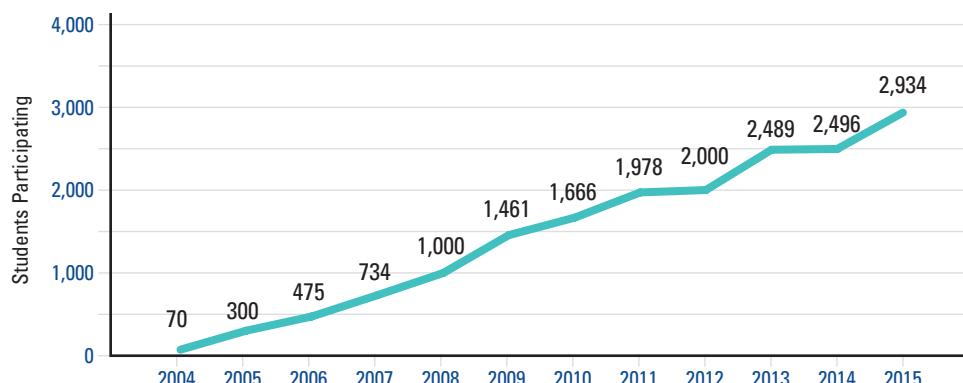
1%

SCHOOL REQUIREMENTS

- Register with the state
- Comply with state nondiscrimination codes
- Demonstrate fiscal soundness
- Have properly credentialed staff
- Teachers and other staff working with children must undergo background checks
- In operation at least one full year
- Have adequate liability, property, and casualty insurance certified by a certified public accountant
- Obtain surety bond or letter of credit to cover value of scholarships
- Provide regular student progress reports to parents and resident public school



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



OHIO



Educational Choice Scholarship Program

Enacted 2005 • Launched 2006 • Expanded 2013 • Voucher

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

STUDENT FUNDING

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

STUDENT ELIGIBILITY

Students are eligible for the program if the student’s resident district is not a school district in which the pilot project scholarship program is operating, and the student satisfies one of the following conditions: the student attends a local public school that has received a grade “D” or “F” by the state’s performance index score; the student is assigned to a community school but would otherwise be assigned to a qualifying school; the student attends a local public school that was ranked in the lowest 10 percent of public schools in two of the three most recent rankings and the public school was not declared to be excellent or effective in the most recent rating system; or the student is enrolling in grades K-12 for the first time and would be assigned to a qualifying school, as long as they are at least five years old by January 1 of the school year. Starting in the 2016-2017 school year, eligibility will extend to public school students in grades K-3 and students entering grades K-12 for the first time in Ohio who attend a school that received a grade of “D” or “F” for making progress in improving literacy in grades K-3 and the school did not receive an “A” grade for making progress in improving literacy in grades K-3 in the most recent published rating prior to the first day of July of the school year for which a scholarship is sought.

FRIEDMAN FEEDBACK

Although a large number of children are eligible under EdChoice, it is extremely difficult to inform parents about their options. The fluid nature of public school rankings makes it hard for parents to be informed of their eligibility year over year. A simpler system, one that is universal or tied to income, would be simpler to administer for the state. School funding is another sore spot, as it is limited to 39 percent of the public school expenditures. This is a paltry sum of money for private schools, which must accept the amount as payment in full for the poorest children. Additionally, the schools must also test students and report those scores back to the state department of education, increasing regulatory and compliance costs for those schools. Ohio would be wise to simplify this voucher program and tie eligibility to something less prone to fluctuations.

LATEST STATS (2014-15)

Students participating: **18,842**

Schools participating: **472**

Average voucher value: **\$4,158** (2013-14)

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

6%

GOVERNING STATUTES

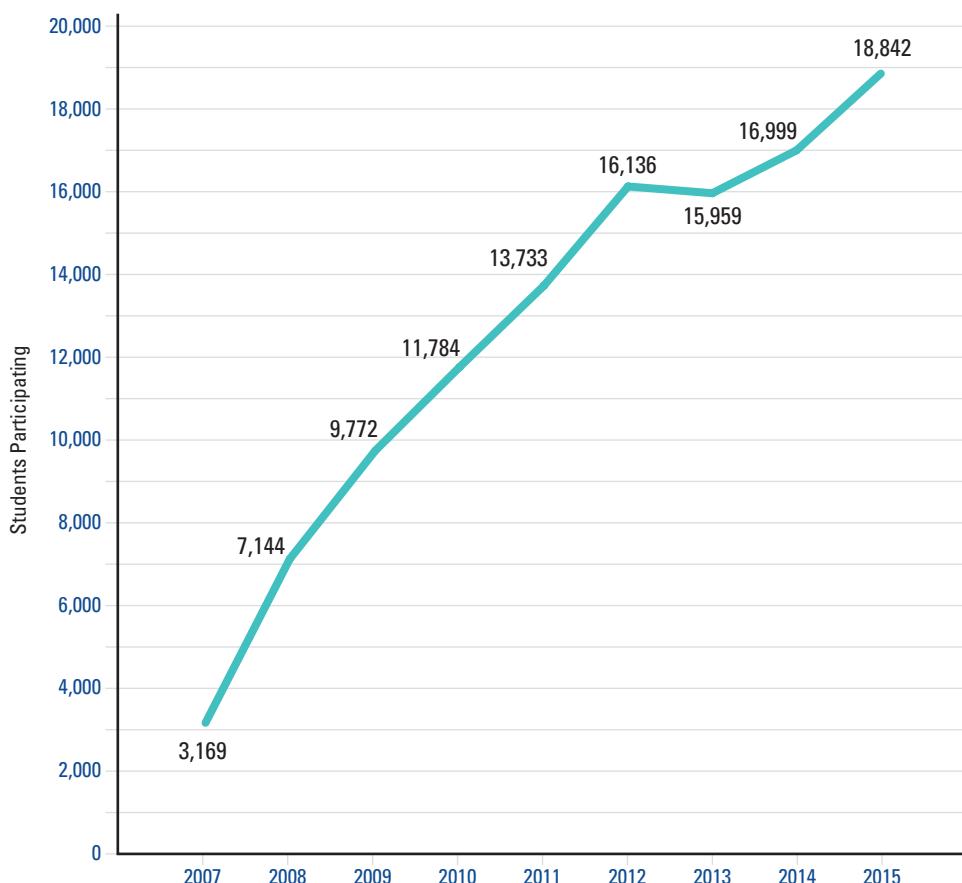
Ohio Rev. Code §§3310.01 through 17

SCHOOL REQUIREMENTS

- Be chartered by the state
- Meet state standards for chartered nonpublic schools
- Comply with state laws regarding nondiscrimination and health and safety codes
- Teachers and staff working with children must undergo background checks
- Administer state tests; test results are publicized on the Ohio Department of Education website
 - ✓ If a school has over 65 percent of students participating in a voucher program, the school must administer the state test to every child in the school; parents of children who do not receive a voucher may opt out of the state test requirement



Ohio's EdChoice voucher program saw enrollment grow nearly 11 percent since 2014, an all-time high.



OHIO



Jon Peterson Special Needs Scholarship Program

Enacted 2011 • Launched 2012 • Voucher

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

STUDENT FUNDING

Vouchers are worth the lesser of fees or tuition charged by the alternative public or private school, the amount of state aid otherwise provided to the public school district, or \$20,000. The amount is reduced proportionately if the child is not enrolled in the alternative or private school for the entire school year. The Ohio Department of Education sets maximum funding amounts for different types of disabilities. Beginning in 2014, parents of students with a category 1 disability (speech and language only) may use the voucher only to pay for services included in their child's IEP and cannot use the voucher to pay for tuition at a private school.

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

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

LATEST STATS (2014-15)

Students participating: **3,319**

Service providers participating: **263**

Average voucher value: **\$9,605** (2013-14)

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

14%

GOVERNING STATUTES

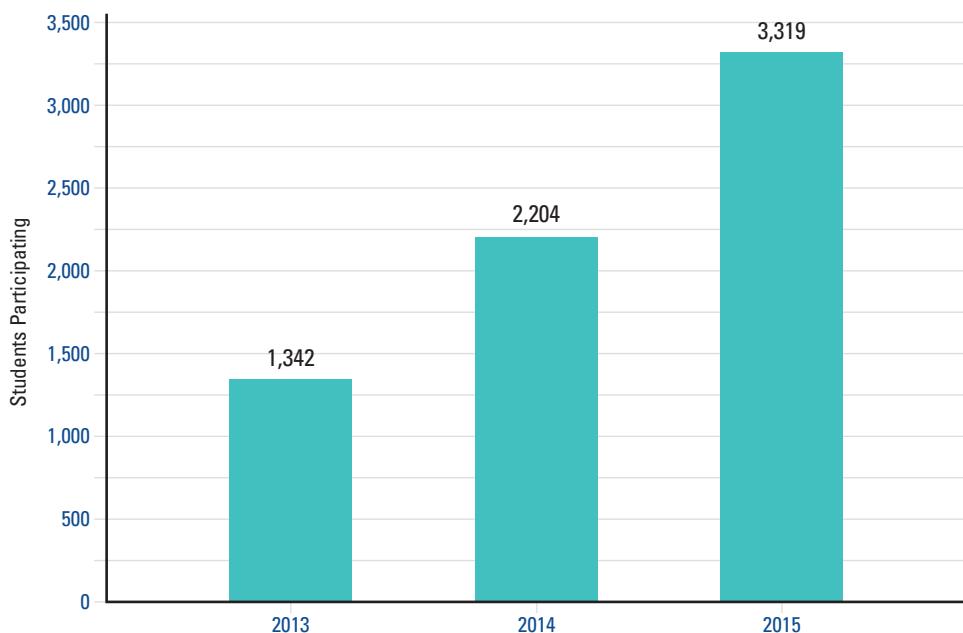
Ohio Rev. Code §§3310.51 through 64

SCHOOL REQUIREMENTS

- Registered by the state
- Comply with state nondiscrimination laws
- Meet health and safety standards
- Submit in writing to the parents of the qualified special education child a profile of the provider's special education program, including: methods of instruction that will be utilized to provide services to the child and the qualifications of teachers, instructors, and other persons who will provide services to the child
- Administer and report the results of the state's tests, including the Ohio Graduation Test, unless the student is excused from taking that assessment under federal law or the student's IEP
- Have properly credentialed staff
- Educational program approved by the state
- Provide record of the implementation of the IEP of each qualified special education student enrolled in the school, including evaluation of the child's progress to the school district
- Submit to the state information on the type and cost of special education services given to scholarship recipients



Participation in Ohio's Jon Peterson Special Needs Scholarship Program has increased by 50 percent in its third year.



OHIO

Income-Based Scholarship Program

Enacted 2013 • Launched 2013 • Voucher



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

STUDENT FUNDING

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

STUDENT ELIGIBILITY

In the second year of the program, students are eligible if they are incoming, first-time kindergartners or first-grade students from families with incomes (1) no more than 200 percent of the federal poverty level (\$47,700 for a family of four in 2014-15) for a maximum voucher, (2) above 200 percent but no more than 300 percent of the federal poverty level (\$71,550 for a family of four in 2014-15) for a voucher worth \$3,187.50, or (3) above 300 percent but no more than 400 percent of the federal poverty level (\$95,400 for a family of four in 2014-15) for a voucher worth \$2,125. If more applications are received than available vouchers, priority will be given first to students who received vouchers in the previous year, second to students from families with incomes at or below 100 percent of the federal poverty level (\$23,850 for a family of four in 2014-15), and third to students from families with incomes between 100 and 200 percent of the federal poverty level. Once they receive a voucher, a student is eligible in future years unless their family income exceeds 400 percent of the federal poverty level. Only students from low-income families who do not qualify for the EdChoice Scholarship Program are eligible.

FRIEDMAN FEEDBACK

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

LATEST STATS (2014-15)

Students participating: **3,481**
Schools participating: **472**
Average voucher value: **\$4,024** (2013-14)

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

61%

GOVERNING STATUTES

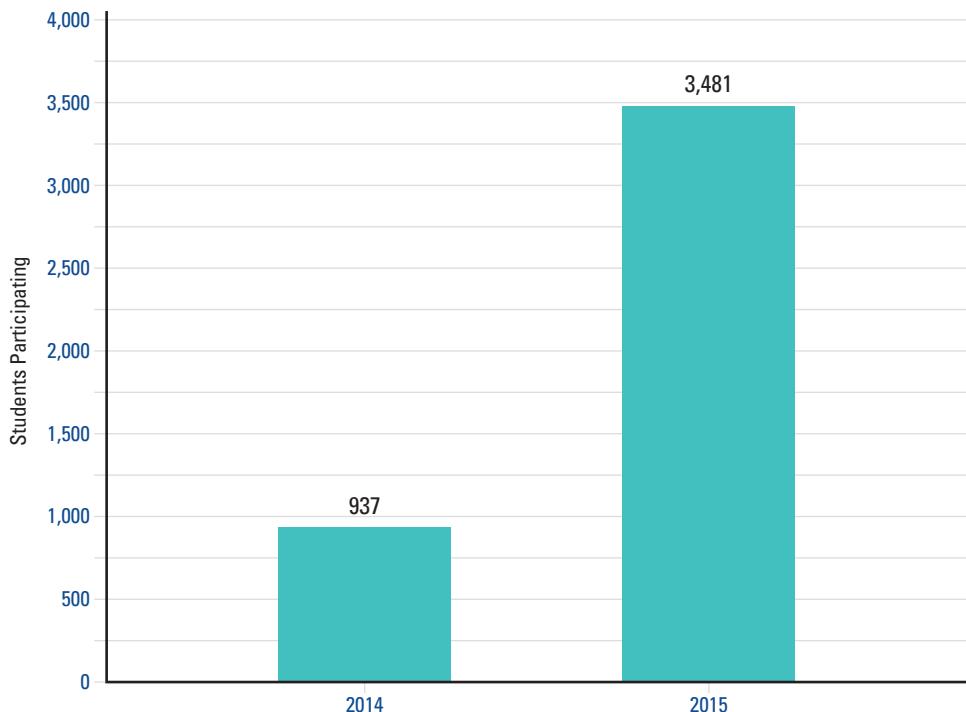
Ohio Rev. Code §3310.032

SCHOOL REQUIREMENTS

- Be chartered by the state
 - Meet state standards for chartered nonpublic schools
 - Comply with state laws regarding nondiscrimination and health and safety codes
 - Teachers and staff with children must undergo background checks
 - Administer state tests; test results are published on the Ohio Department of Education website
- ✓ If a school has more than 65 percent of students participating in a voucher program, the school must administer the state test to every child in the school; parents of children who do not receive a voucher may opt out of the state test requirement



Participation in Ohio's Income-Based Scholarship Program has more than tripled in its second year.



OKLAHOMA



Lindsey Nicole Henry Scholarships for Students with Disabilities

Enacted 2010 • Launched 2010 • Voucher

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

STUDENT FUNDING

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

STUDENT ELIGIBILITY

Any student with an Individualized Education Plan (IEP) in effect and who either spent the prior year attending an Oklahoma public school or is the child of an active-duty member of the armed forces who has been stationed in Oklahoma is eligible. After receiving a voucher, the child will continue to qualify each year through high school graduation or until such time as the child would return to a public school. Students who were previously provided services under an Individual Family Service Plan through the SonnerStart program and during transition were evaluated and determined to be eligible for school district services no longer need to have spent the prior school year in attendance at a public school to be eligible.

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

Okl. Stat. §§70-13-101.1 and 101.2

LATEST STATS (2013-14)

Students participating: **296**

Schools participating: **38**

Average voucher value: **\$7,514**

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

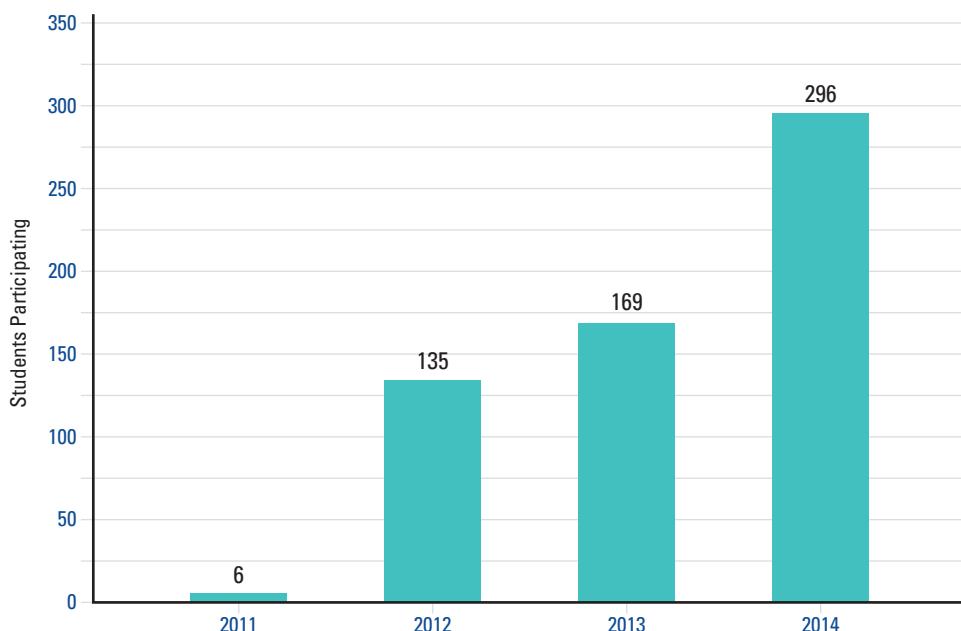
15%

SCHOOL REQUIREMENTS

- Be accredited by the state board of education or approved accrediting association
- Comply with state nondiscrimination and health and safety requirements
- Must have been in operation for one school year prior to participation in the program
- Provide a statement by a certified public accountant confirming the private school is insured and the owners have sufficient capital or credit to operate or provide record of a surety bond or credit for the amount equal to the scholarship funds for any quarter
- Teachers must have a bachelor's degree or at least three years of teaching experience in public or private schools, or have special skills, knowledge, or expertise that qualifies them to provide instruction in the subjects taught



Participation in Oklahoma's voucher program for students with special needs grew 75 percent from 2013 to 2014.



OKLAHOMA



Oklahoma Equal Opportunity Education Scholarships

Enacted 2011 • Launched 2013 • Tax-Credit Scholarship

Oklahoma provides tax credits for donations to Scholarship Granting Organizations (SGOs), nonprofits that provide private school scholarships. The allowable tax credit is 50 percent of the amount of contributions made during a taxable year, up to \$1,000 for single individuals, \$2,000 for married couples, and \$100,000 for corporations, now including S-Corporations. The program is capped at \$5 million, of which \$3.5 million is dedicated to private school scholarships with a separate \$1.5 million in tax credits available for donations made to organizations that distribute “educational improvement grants” to public schools. Each donor category (individual and corporate) may use up to \$1.75 million of the \$3.5 million cap. If donations exceed the statewide cap in a given year, the Oklahoma Tax Commission will allocate the tax credits to individuals (or corporations) on a pro-rata basis. If individual donations fail to meet the \$1.75 million cap while corporate donations exceed the cap, the unused individual credits can be allocated to corporations (and to a separate tax credit for public school improvement grants), and vice versa. Any taxpayer who makes a written commitment to contribute the same amount to an SGO for two consecutive years shall have their credit worth 75 percent of their total contribution, as opposed to 50 percent for a single year.

STUDENT FUNDING

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

STUDENT ELIGIBILITY

Students are eligible if they either live in families with incomes up to 300 percent of the free and reduced-price lunch program (\$132,369 for a family of four in 2014-15) or attend or live in the attendance zone of a public school designated as “in need of improvement.” Once a student has received a scholarship, that student and his or her siblings remain eligible until high school graduation or age 21.

FRIEDMAN FEEDBACK

Oklahoma’s tax-credit scholarship program could be one of the most generous in the nation because of the high income limit for eligibility and per-student funding. In practice, however, the \$3.5 million cap on credits severely restricts the number and amount of scholarships that can be awarded. If all scholarships awarded were \$5,000, only 700 students could participate. Additionally, the pro-rata distribution of tax credits to donors makes administration very difficult for SGOs, as they cannot notify donors of the credit they will receive until the state tax commission receives all credits claimed for the

LATEST STATS (2014-15)

Students participating: **709**

Schools participating: **33**

Scholarship organizations: **2**

Average scholarship value: **\$566**

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

79%

year. Donors are also only allowed a 50 percent tax credit for donations (unless they commit to two years of giving, which raises their credit to 75 percent). The program has a reasonable level of school regulations: Participating schools must provide progress reports to parents, be accredited, follow health and safety codes, and obey nondiscrimination laws. The program has a tremendous opportunity to be one of the nation's strongest, if the eligibility and overall funding cap are raised or removed entirely and the pro-rata method for distributing tax credits is removed.

GOVERNING STATUTES

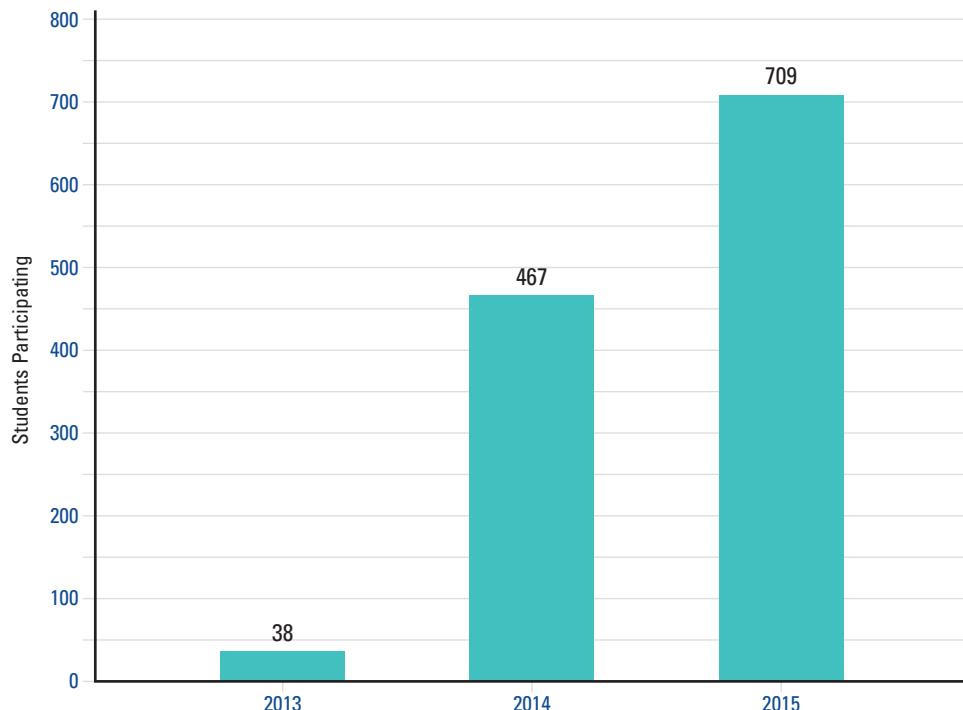
Okl. Rev. Stat. §68-2357.206

SGO REQUIREMENTS

- Use at least 90 percent of contributions for scholarships
- Register as an SGO with the state
- Spend portion of expenditures on scholarships for students who qualify for the free or reduced-price lunch program (\$44,123 for family of four in 2014-15) in an amount equal or greater to the percentage of eligible low-income students in the state
- Ensure scholarships are portable during the school year and can be used at any qualified school that accepts the eligible student
- Conduct background checks on employees and board members
- Maintain full and accurate records on contributions and expenditures and other documentation required by the state



Enrollment in Oklahoma's tax-credit scholarship program grew more than 51 percent since last year.



PENNSYLVANIA

Educational Improvement Tax Credit Program

Enacted 2001 • Launched 2001 • Tax-Credit Scholarship



Pennsylvania provides tax credits for corporate contributions to the following nonprofit organizations: Scholarship Organizations (SOs), nonprofits that provide private school scholarships; Educational Improvement Organizations (EIOs), nonprofits that support innovative programs in public schools; or prekindergarten scholarship organizations (PKSOs). Tax credits are worth 75 percent of the contribution; however, a 90 percent credit can be claimed if the corporation commits to two consecutive annual contributions. In either case, the maximum tax credit is \$750,000 per company; however, this cap will be lifted from October 1 through November 30 if credits go unclaimed. Credits are awarded to companies on a first-come, first-served basis until the \$100 million cap is reached. In 2014, the Pennsylvania legislature passed a bill allowing business firms to apply for an alternative tax credit if the preferred credit is unavailable; i.e., a corporate donor may elect to donate to the Educational Improvement Tax Credit Program (EITC) and simultaneously apply for an alternate tax credit through the Opportunity Scholarship Tax Credit Program (OSP), a separate tax-credit scholarship program for low-income students in “low-achieving” school zones.

STUDENT FUNDING

Scholarship amounts are determined by SOs.

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

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

LATEST STATS (2013-14)

Scholarships awarded: **38,278**

Schools participating: **N.A.**

Scholarship organizations: **265**

Average scholarship value: **\$1,587**

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

56%

*Assumes one child per family

GOVERNING STATUTES

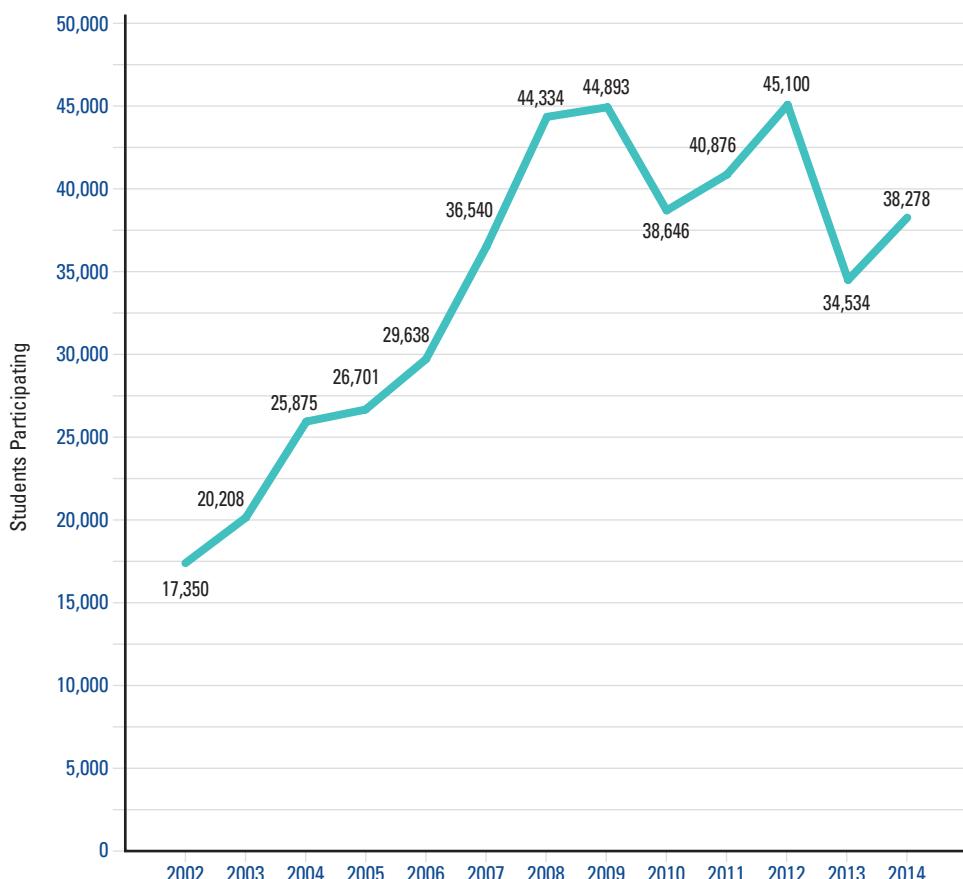
72 P.S. §§8701-F through 8708-F and 9902E

SO REQUIREMENTS

- Use at least 80 percent of contributions for scholarships
- Make scholarships available for more than one school
- Submit annual report detailing donations received and scholarships awarded and proof of a financial review by a certified public accountant



Although Pennsylvania's first tax-credit scholarship program has been volatile since 2009, participation increased nearly 11 percent from 2013 to 2014.



PENNSYLVANIA

Opportunity Scholarship Tax Credit Program

Enacted 2012 • Launched 2012 • Tax-Credit Scholarship



Pennsylvania provides tax credits for corporate contributions to Scholarship Organizations (SOs), nonprofits that provide private school scholarships. A company may claim a tax credit worth 75 percent of its contribution (90 percent if it commits to the same amount for two consecutive years). Tax credits are available on a first-come, first-served basis. In 2014, the Pennsylvania legislature passed a bill allowing business firms to apply for an alternative tax credit if the preferred credit is unavailable; i.e., a corporate donor may elect to donate to the Opportunity Scholarship Tax Credit Program (OSP) and simultaneously apply for an alternate tax credit through the Educational Improvement Tax Credit Program (EITC), Pennsylvania's original tax-credit scholarship program. The total funding amount of tax credits is capped at \$50 million. SOs also are required to give preference to students who received scholarships the previous year, those eligible for free and reduced-price lunch (FRL), and FRL students in certain school districts (a "first class" school district, a district with more than 7,500 students that receives an advance of its basic education subsidy, or a school district that has both received an advance of its subsidy and is either in financial distress or is involved in a school finance lawsuit against the state).

STUDENT FUNDING

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

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

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

LATEST STATS (2013-14)

Scholarships awarded: **7,601**
Schools participating: **N.A.**
Scholarship organizations: **173**
Average scholarship value: **\$2,312**

Percent of Pennsylvania K-12 students
eligible* for the Opportunity Scholarship
Tax Credit Program

7%

*Assumes one child per family

GOVERNING STATUTES

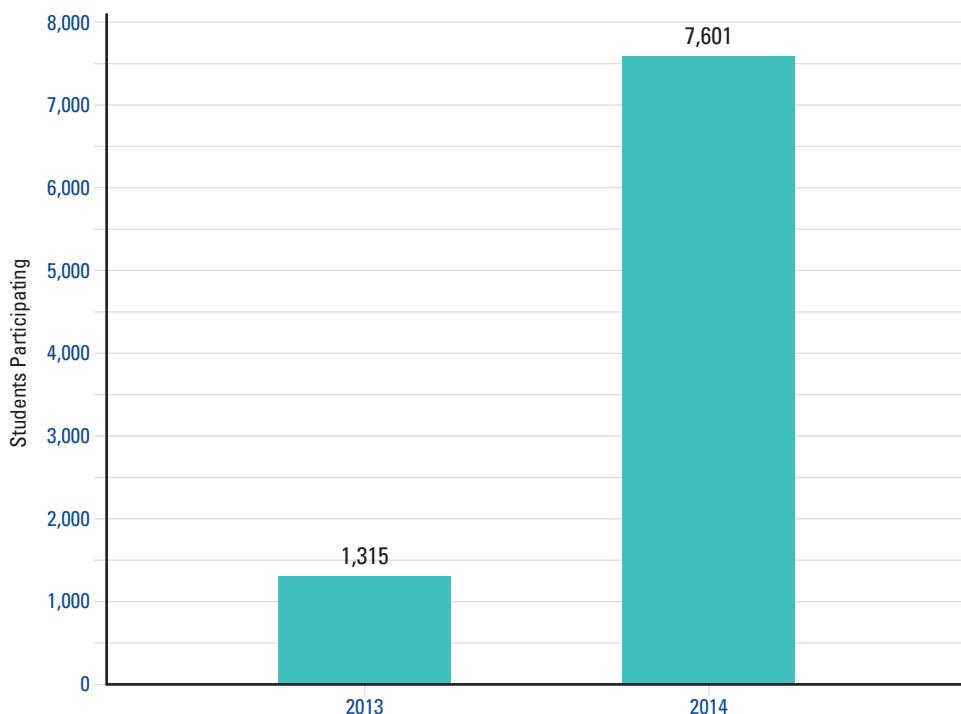
72 P.S. §§8701-G.1 through 8712-G.1

SO REQUIREMENTS

- Use at least 80 percent of contributions for scholarships
- Make scholarships available for more than one school
- Submit annual report detailing donations received and scholarships awarded to the state, including number of scholarships awarded and total and average amounts of scholarships awarded to students from households with a family income that does not exceed 185 percent of the federal poverty guideline (\$44,123 for a family of four in 2014-15)
- Submit a copy of a financial audit conducted by a certified accounting firm



Enrollment in Pennsylvania's second tax-credit scholarship program increased nearly six-fold from 2013 to 2014.



RHODE ISLAND



Tax Credits for Contributions to Scholarship Organizations

Enacted 2006 • Launched 2007 • Tax-Credit Scholarship

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

STUDENT FUNDING

Scholarship amounts are determined by SGOs.

STUDENT ELIGIBILITY

Students must have family incomes at or below 250 percent of the poverty level (\$59,625 for a family of four in 2014-15).

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

R.I.G.L. §§44-62-1 through 44-62-7

LATEST STATS (2013)

Students participating: **408**

Schools participating: **46**

Scholarship organizations: **5**

Average scholarship value: **\$2,519**

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

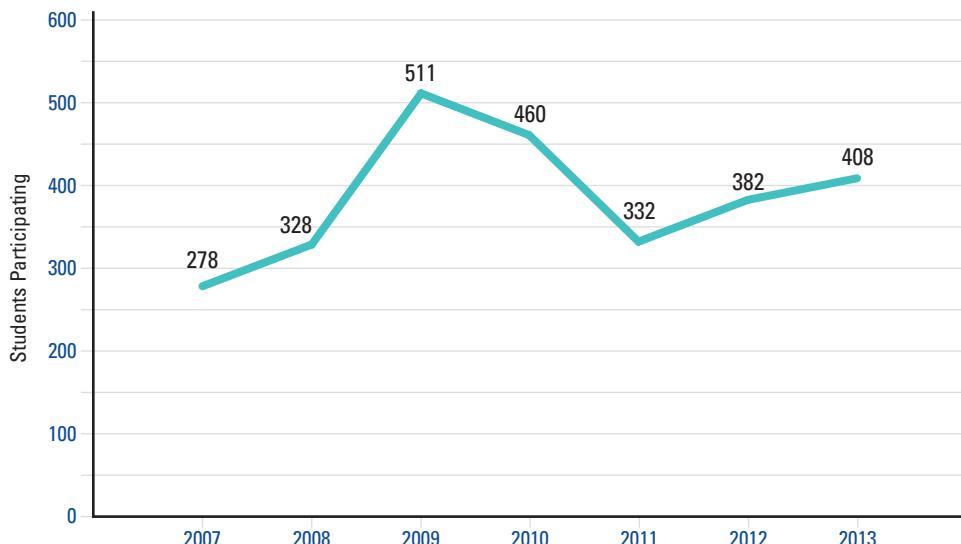
30%

SGO REQUIREMENTS

- Use at least 90 percent of contributions for scholarships
- Provide annual report to the state detailing number and value of scholarships awarded, ZIP Codes of recipients, and criteria used to award scholarships



Following two years of decline since its high point in 2009, the number of students using Rhode Island's tax-credit scholarship program has grown nearly 23 percent since 2011.



SOUTH CAROLINA

Educational Credit for Exceptional Needs Children

Enacted 2013 • Launched 2014 • Tax-Credit Scholarship



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

STUDENT FUNDING

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

STUDENT ELIGIBILITY

Students are eligible to receive scholarships if they have been designated by the South Carolina Department of Education as meeting the federal definition of a “child with a disability” (34 CFR 300.8). Additionally, a student’s parents must believe the assigned public school district does not sufficiently meet the student’s needs. Students who have been diagnosed within the last three years by a licensed speech-language pathologist, psychiatrist, or medical, mental health, psycho-educational, or other comparable licensed healthcare provider as having a neurodevelopmental disorder; a substantial sensory or physical impairment (such as deaf, blind, or orthopedic disability); or some other disability or acute or chronic condition that significantly impedes the student’s ability to learn and succeed in school without specialized instructional and associated supports and services tailored to the child’s unique needs are now eligible.

LATEST STATS (2013-14)

Students participating: **405**

Schools participating: **48**

Scholarship organizations: **4**

Average scholarship value: **\$8,730**

Percent of South Carolina K-12 students eligible for the Educational Credit for Exceptional Needs Children

13%

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

S.C. State Budget Proviso 1.85

SFO REQUIREMENTS

- Use at least 95 percent of contributions for scholarships
- Allocate all scholarships to exceptional needs students
- Serve more than one school
- Conduct financial audit performed by a certified public accountant

UTAH

Carson Smith Special Needs Scholarship Program



Enacted 2005 • Launched 2005 • Voucher

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

STUDENT FUNDING

Vouchers are based on the state's weighted pupil unit, an element of its school financing formula. Students who receive more than three hours of special education services per day get vouchers worth 2.5 times the weighted pupil unit, whereas students receiving fewer than three hours per day get vouchers worth 1.5 times the weighted pupil unit. In 2014-15, those values worked out to \$6,648 and \$3,989, respectively. The voucher may not exceed the private school's actual tuition and fees.

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

Although overall funding is low for Utah's voucher program for students with special needs, the cap on appropriations can increase if the number of students in the program equals or exceeds 7 percent of the students with special needs in public school. Additionally, regulations on private schools are light when compared with other states: Participating schools must provide the results of an annual assessment to parents along with the educational services, and associated costs, being offered a child, be approved by the state, and comply with health, safety, and nondiscrimination laws.

GOVERNING STATUTES

Utah Code §§53A-1a-701 through 710

LATEST STATS (2012-13)

Students participating: **714**

Schools participating: **40**

Average voucher value: **\$4,733**

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

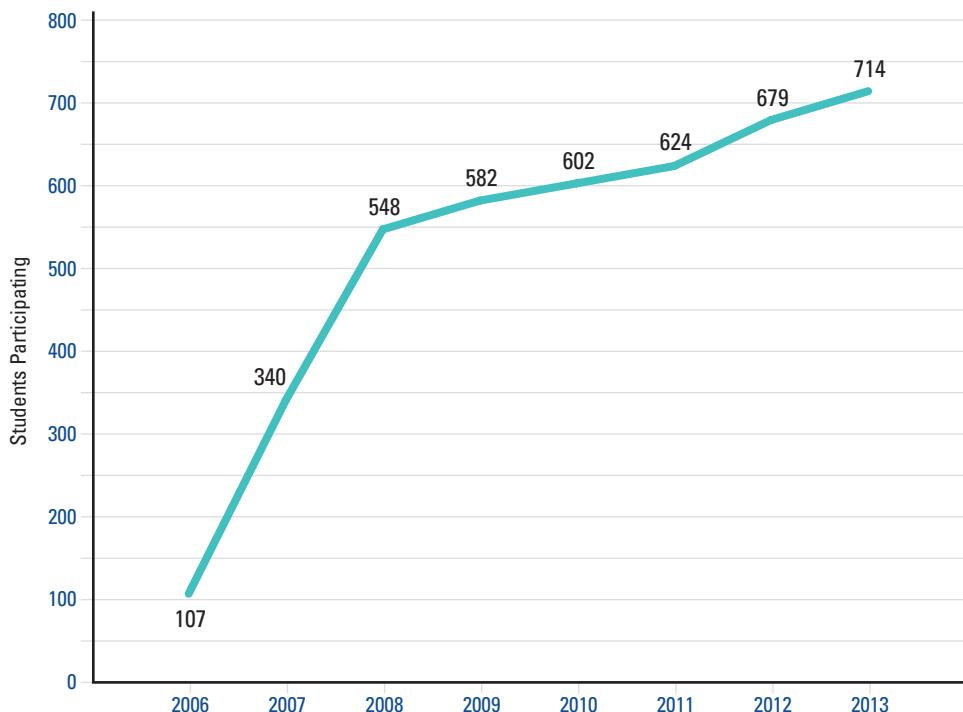
13%

SCHOOL REQUIREMENTS

- Be approved by the state
- Comply with federal nondiscrimination requirements of 42 U.S.C. 2000d
- Comply with state health and safety codes
- Submit to the state an audit and financial report completed by a certified public accountant
- Possess adequate working capital to maintain operations for the first year
- Disclose to parents the special education services to be provided and the cost of those services
- Administer annual assessment of a student's academic progress and report results to the student's parents
- Teachers of recipients must have bachelor's degrees, three years of teaching experience, or special skills
- Provide parents with their voucher students' teacher's credentials



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



VERMONT

Town Tuitioning Program

Launched 1869 • Voucher



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

STUDENT FUNDING

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

STUDENT ELIGIBILITY

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

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

16 V.S.A. §§821-36

SCHOOL REQUIREMENTS

- Must be non-sectarian

LATEST STATS (2013-14)

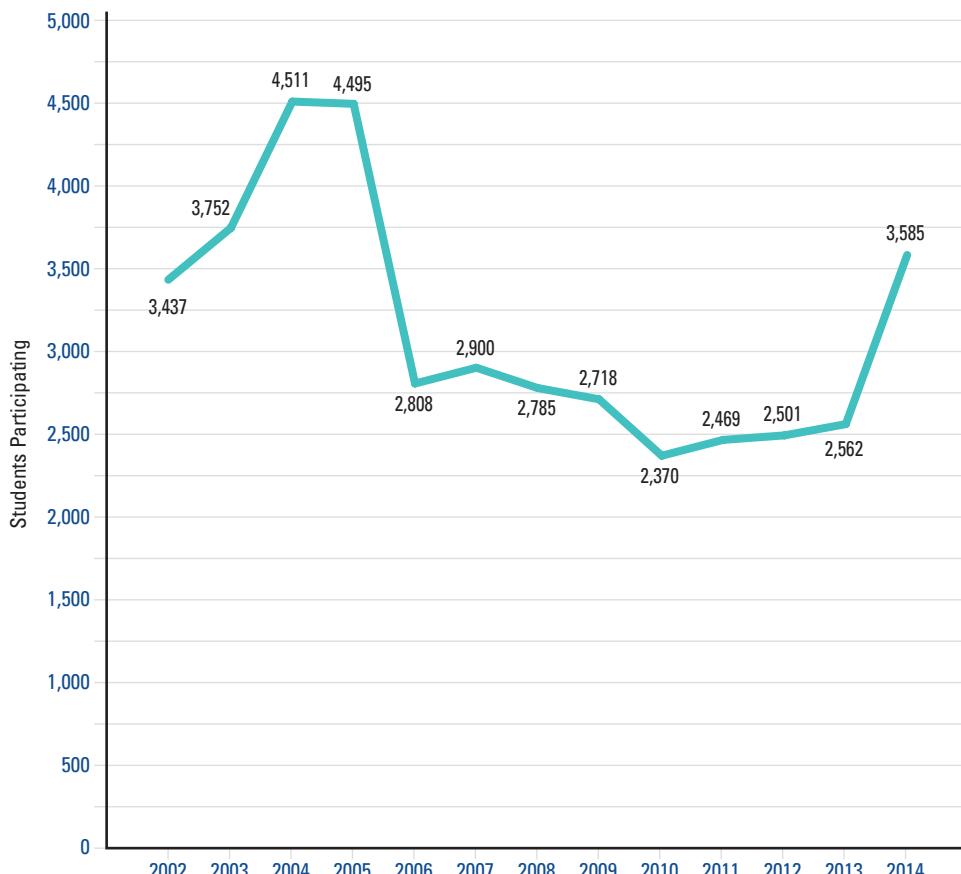
Students participating: **3,585**
Schools participating: **151**
Average voucher value: **\$14,681**

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

3%



Participation increased nearly 40 percent in Vermont's Town Tuitioning Program from 2013 to 2014.



VIRGINIA

Education Improvement Scholarships Tax Credits Program

Enacted 2012 • Launched 2013 • Tax-Credit Scholarship



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

STUDENT FUNDING

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

STUDENT ELIGIBILITY

Students must come from households where family income is less than 300 percent of the federal poverty line (\$71,500 for a family of four in 2014-15); students with special needs also are eligible and have a higher income limitation (400 percent of the federal poverty line or \$95,400 for a family of four in 2014-15). Students must either be enrollees in grades K-1, a public school student the previous school year, a previous scholarship recipient, or a new resident of Virginia.

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

Code of Va. §§58.1-439.25-28

LATEST STATS (2014-15)

Students participating: **921**

Schools participating: **61**

Scholarship organizations: **12**

Average scholarship value: **\$2,413**

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

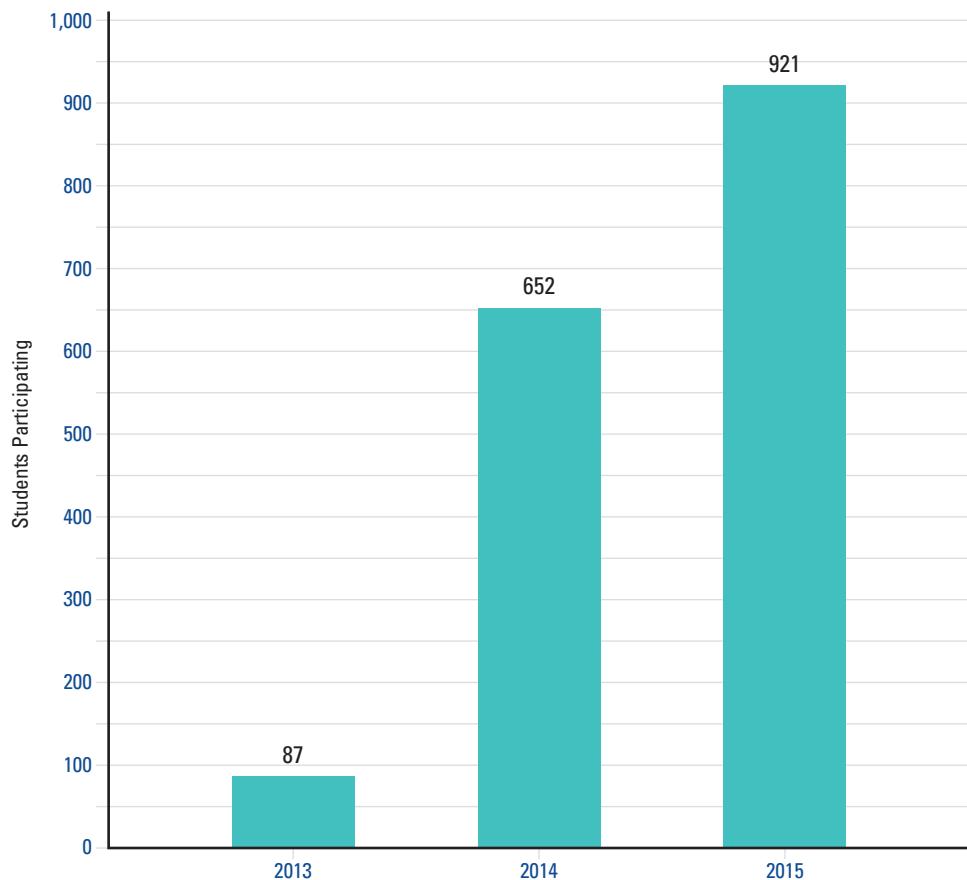
32%

SCHOLARSHIP FOUNDATION (SF) REQUIREMENTS

- Be approved by the state
- Use at least 90 percent of contributions for scholarships
- Make scholarships available for more than one school
- Comply with Title VI of the Civil Rights Act of 1964
- Conduct an annual audit, review, or compilation on tax-credit-derived funds
- Submit to the state:
 - ✓ Total number and dollar amount of contributions received
 - ✓ Dates when such contributions were received
 - ✓ Total number and dollar amount of scholarships awarded



Enrollment in Virginia's Education Improvement Scholarships Tax Credits Program increased by more than 41 percent in one year.



WISCONSIN

Milwaukee Parental Choice Program

Enacted 1990 • Launched 1990 • Voucher



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

STUDENT FUNDING

In 2014-15, the maximum voucher amount is \$7,210 for grades K-8 and \$7,856 for grades 9-12. Beginning in 2015-16, maximum voucher payments increase by a percentage equal to the percentage increase in general school aid to Wisconsin public schools. The voucher may not exceed the private school's per-student costs, including operating expenses and debt service. Parents of students in grades 9-12 that have an income greater than 220 percent of the federal poverty level (\$52,470 for a family of four in 2014-15) may be charged additional tuition above the voucher amount.

STUDENT ELIGIBILITY

Students who live in Milwaukee and whose family income does not exceed 300 percent of the federal poverty level are eligible (\$71,550 for a family of four in 2014-15); moreover, a family's income limit increases by \$7,000 if the student's parents/legal guardians are married. Students who are continuing the program from previous years and those who were on a school's waiting list in the prior year because the school did not have space available do not need to demonstrate income eligibility.

FRIEDMAN FEEDBACK

The Milwaukee Parental Choice Program's income limits cover more than 58 percent of all Milwaukee families, earning strong marks on eligibility. However, the maximum voucher of \$7,210 (K-8) and \$7,856 (9-12) per pupil is only slightly more than half of what Milwaukee public school pupils get. Additionally, the program's regulations are somewhat extensive. Voucher students must be allowed to opt out of religious programs. Also, participating private schools must submit to mandatory academic standards, specific hours of yearly instruction, and must admit students on a random basis and allow all applicants to enroll if they have capacity. Accountability provisions also require that state tests be used. The Milwaukee Parental Choice Program could improve in each area: Increase eligibility, raise voucher sizes closer to public school students' levels, and lower regulations on participating schools.

GOVERNING STATUTES

Wis. Stat. §§119.23 and 235

LATEST STATS (2014-15)

Aid membership (FTE): **26,056**

Schools participating: **113**

Maximum voucher value: **\$7,210 (K-8) /
\$7,856 (9-12)**

Percent of Milwaukee families meeting the Milwaukee Parental Choice Program's income requirement*

58%

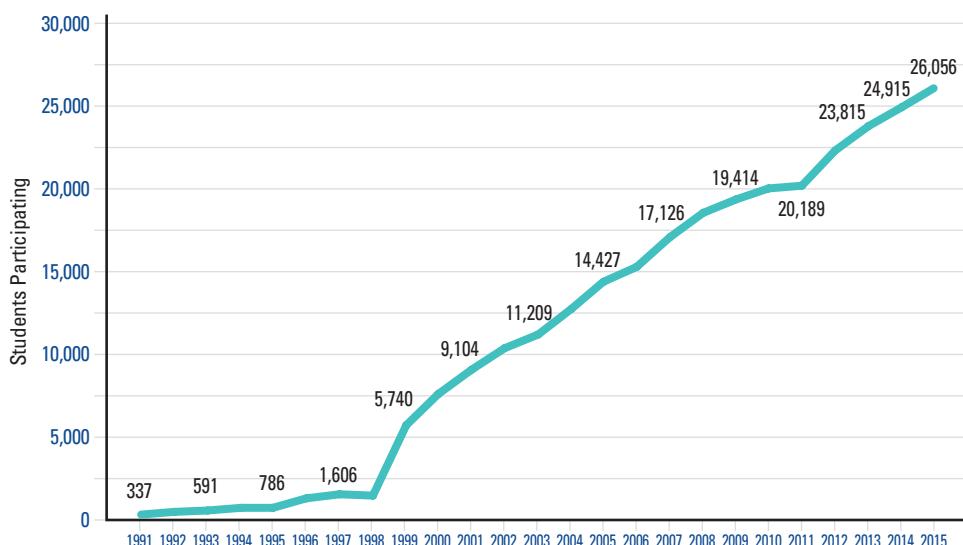
*Assumes parents/legal guardians are not married

SCHOOL REQUIREMENTS

- Meet state nondiscrimination policies
- Meet state health and safety codes
- Allow students to opt out of religious programs
- Administer state testing to voucher recipients in grades four, eight, and 10; receive accreditation within three years of participating in the Milwaukee Parental Choice Program (current participating schools adding grades or creating a new school are exempt)
- Submit an annual financial audit conducted by a certified public accountant to the state
- Provide evidence of sound fiscal practices and financial viability to the state
- School administrators must undergo financial training and have at least a bachelor's degree from an accredited institution of higher education
- Teachers must have a bachelor's degree from an accredited institution of higher education and teacher aides must have received a high school diploma or been granted a GED or HSED
- Must provide 1,050 hours of direct pupil instruction in grades 1–6 and 1,137 hours of direct pupil instruction in grades 7–12
- Must provide the state with information about the academic program at the participating school and student test score data



Aid membership in Wisconsin's Milwaukee Parental Choice Program is up nearly 5 percent since 2014.



WISCONSIN



Parental Private School Choice Program (Racine)

Enacted 2011 • Launched 2011 • Voucher

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

STUDENT FUNDING

In 2014-15, the maximum voucher amount is \$7,210 for grades K-8 and \$7,856 for grades 9-12. Beginning in 2015-16, maximum voucher payments increase by a percentage equal to the percentage increase in general school aid to Wisconsin public schools. Parents of students in grades 9-12 that have an income greater than 220 percent of the federal poverty level (\$52,470 for a family of four in 2014-15) may be charged additional tuition above the voucher amount.

STUDENT ELIGIBILITY

Students from families with household incomes up to 300 percent of the federal poverty level (\$71,550 for a family of four in 2014-15) are eligible for vouchers; moreover, a family's income limit eligibility increases by \$7,000 if the student's parents or legal guardians are married. Students who are continuing the program from previous years and those who were on a school's waiting list in the prior year because the school did not have space available do not need to demonstrate income eligibility. Students must have been either (1) enrolled in a public school in the previous year, (2) not enrolled in school in the previous year, (3) enrolled in a private school under the voucher program in the previous year, or (4) be entering kindergarten, first grade, or ninth grade. If an applying student has a sibling already in the private school the applicant wishes to attend, he or she will receive preference in the voucher lottery.

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

Wis. Stat. §118.60

LATEST STATS (2014-15)

Aid membership (FTE): **1,674**

Schools participating: **15**

Maximum voucher value: **\$7,210 (K-8) /**

\$7,856 (9-12)

Percent of Racine families meeting the income requirement* under the Parental Private School Choice Program (Racine)

39%

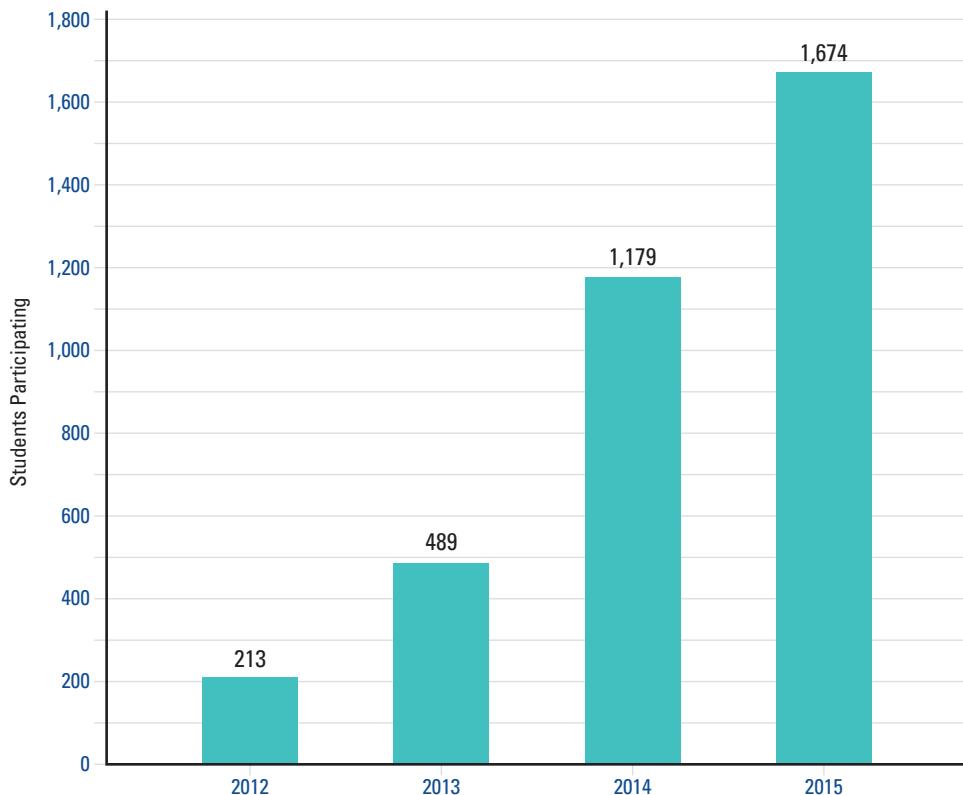
*Assumes parents/legal guardians are not married

SCHOOL REQUIREMENTS

- Meet state nondiscrimination policies
- Meet health and safety codes
- Allow students to opt out of religious programs
- Administer state testing to scholarship recipients in grades four, eight, and 10
- Receive accreditation within three years of participating in the Parental Private School Choice Program (Racine)
- Submit an annual financial audit conducted by a certified public accountant to the state
- Provide evidence of sound fiscal practices and financial viability to the state
- School administrators must undergo financial training and have at least a bachelor's degree from an accredited institution of higher education
- Teachers must have a bachelor's degree from an accredited institution of higher education, and teacher aides must have received a high school diploma or been granted a GED or HSED
- Provide 1,050 hours of direct pupil instruction in grades 1–6 and 1,137 hours of direct pupil instruction in grades 7–12
- Must provide the state with information about the academic program at the participating schools and student test score data



Aid membership in Racine's Parental Private School Choice Program increased by nearly 42 percent since last year.



WISCONSIN

Parental Choice Program (Statewide)

Enacted 2013 • Launched 2013 • Voucher



Wisconsin's statewide Parental Choice Program is open to any income-qualified child who resides outside of the attendance zones for Milwaukee Public Schools and the Racine Unified School District.

STUDENT FUNDING

In 2014-15, the maximum voucher amount is \$7,210 for grades K-8 and \$7,856 for grades 9-12. Beginning in 2015-16, maximum voucher payments increase by a percentage equal to the percentage increase in general school aid to Wisconsin public schools. The voucher may not exceed the private school's per-student costs, including operating expenses and debt service.

STUDENT ELIGIBILITY

Wisconsin families who qualify for free and reduced-price lunch and reside outside of either the Milwaukee Public Schools or the Racine Unified School District are eligible. Students must also come from families with incomes up to 185 percent of the federal poverty level (\$44,123 for a family of four in 2014-15); moreover, a family's income limit increases by \$7,000 if the student's parents/legal guardians are married. Participation is limited to 1,000 students. Each district will have an enrollment cap of 1 percent of its public school district enrollment, and private schools must have been in operation on May 1, 2013 to participate.

FRIEDMAN FEEDBACK

Wisconsin took an encouraging step toward universal school choice by allowing students outside two school districts to receive vouchers. However, by limiting the number of vouchers awarded to only 1,000 of the state's more than 870,000 students, the positive effects of educational choice will be limited. Similarly, the requirement that private schools must be in operation by a specific date limits families' supply of educational options from which to choose. Additionally, like the Milwaukee and Racine programs, the program could be improved by increasing voucher amounts and removing income tests for eligibility.

GOVERNING STATUTES

Wis. Stat. §118.60

LATEST STATS (2014-15)

Aid membership (FTE): **997**

Schools participating: **31**

Maximum voucher value: **\$7,210 (K-8) /**

\$7,856 (9-12)

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

15%

*Does not include families living in Milwaukee or Racine

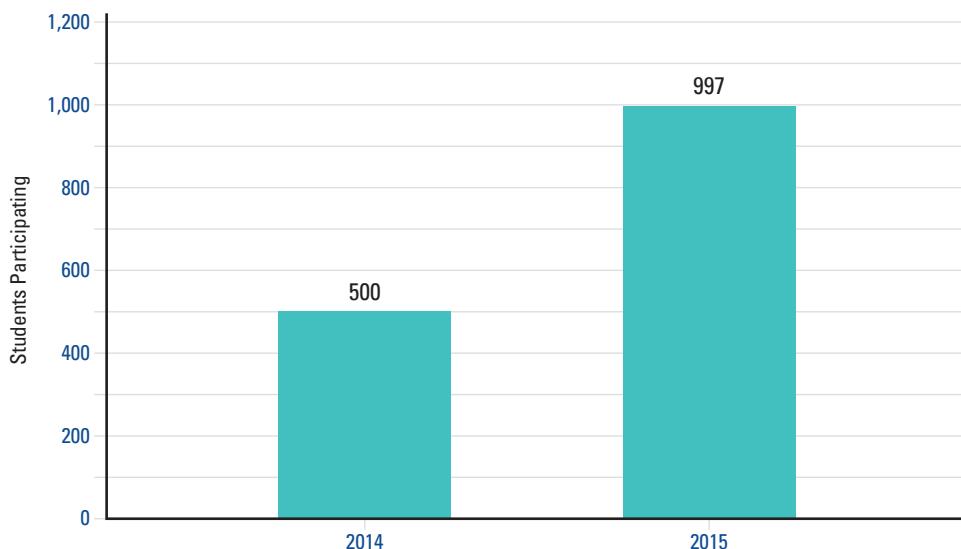
†Assumes parents/legal guardians are not married

SCHOOL REQUIREMENTS

- Meet state nondiscrimination policies
- Allow students to opt out of religious programs
- Administer state testing to scholarship peripients in grades four, eight, and 10
- Receive accreditation within three years of participating in the Parental Choice Program (Statewide)
- Annually submit to the state a financial audit conducted by a certified public accountant
- Provide the state evidence of sound fiscal practices and financial viability
- School administrators must undergo financial training and have a least a bachelor's degree from an accredited institution of higher education
- Teachers must have a bachelor's degree from an accredited institution of higher education, and teacher aides must have received a high school diploma or been granted a GED or HSED
- Provide 1,050 hours of direct pupil instruction in grades 1–6 and 1,137 hours of direct pupil instruction in grades 7–12
- Provide the department of public instruction with information about the academic program at the participating school and student test score data
- Meet all health and safety codes
- Capped at the 25 schools with the most applicants if the number of applicants is higher than the enrollment cap



Aid membership in Wisconsin's statewide voucher program nearly doubled since its enactment.



WISCONSIN

K-12 Private School Tuition Deduction

Enacted 2013 • Launched 2014 • Individual Tax Deduction



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

TAX DEDUCTION VALUE

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

STUDENT ELIGIBILITY

Any Wisconsin taxpayer is eligible.

FRIEDMAN FEEDBACK

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

GOVERNING STATUTES

Wis. Stat. §71.05(6)(b)49

PARENT REQUIREMENTS

- If a student is enrolled in grades eight and nine in the same taxable year, the deduction may be claimed for only one grade for that student

LATEST STATS

Taxpayers participating: **N.A.**

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

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

100%

RULES & REGULATIONS

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

STATE	EDUCATION SAVINGS ACCOUNTS	INCOME LIMIT
AZ	Empowerment Scholarship Accounts* [§] #**	None
FL	Personal Learning Scholarship Account Program*	None

* Limited to students with special needs

† Limited to students in low-performing schools

‡ Priority given to families up to 200% x Poverty

§ Limited to children of active military members stationed in Arizona

Limited to students previously in foster care

** Limited to children of military members killed in the line of duty,

siblings of current or previous ESA recipients, and students eligible

to enroll in a program for preschool children with disabilities

FRL = Federal free and reduced-price lunch program

PRIOR YEAR PUBLIC SCHOOL REQUIREMENT	ENROLLMENT CAP	VOUCHER CAP	TESTING MANDATES
Yes	500	\$5,066	National
None	None	\$8,381 (K-8) / \$12,572 (9-12)	National
Yes	None	Conditional	None
Yes	None	Conditional	None
Conditional	None	Conditional	State
Conditional	None	None	State
None	None	Conditional	None
None	None	\$7,536 (K-8) / \$9,840 (9-12)	Conditional-State
Conditional	None	\$5,140	None
Conditional	None	\$5,140	None
None	None	\$4,200	National
Conditional	None	\$3,000 per semester	National
None	None	\$4,250 (K-8) / \$5,700 (9-12)	State
None	None	\$20,000	None
Conditional	60,000	\$4,250 (K-8) / \$5,000 (9-12)	State
Yes	None	\$20,000	None
None	Conditional	\$4,250	State
Yes	None	Conditional	None
None	None	Conditional	Yes
None	None	Conditional	None
None	None	\$7,210 (K-8) / \$7,856 (9-12)	National
None	None	\$7,210 (K-8) / \$7,856 (9-12)	National
None	1,000	\$7,210 (K-8) / \$7,856 (9-12)	National

PRIOR YEAR PUBLIC SCHOOL REQUIREMENT	ENROLLMENT CAP	ACCOUNT CAP	TESTING MANDATES
Yes	None	90% Charter Funding	None
None	None	90% State and Local Funding	State or National

RULES & REGULATIONS

STATE	TAX-CREDIT SCHOLARSHIPS	INCOME LIMIT	PRIOR YEAR PUBLIC SCHOOL REQUIREMENT	ENROLLMENT CAP
AL	Education Scholarship Program	150% x Median Household Income & 200% Poverty	Conditional	None
AZ	Original Individual Income Tax Credit Scholarships	None	None	None
AZ	Low-Income Corporate Income Tax Credit Scholarships	185% x FRL	Yes	None
AZ	Lexie's Law*#§	None	Yes	None
AZ	"Switcher" Individual Income Tax Credit Scholarships	None	Yes	None
FL	Florida Tax Credit Scholarship Program	100% x FRL	None	None
GA	Qualified Education Expense Tax Credit	None	Yes	None
IN	School Scholarship Tax Credit	200% x FRL	None	None
IA	School Tuition Organization Tax Credit	300% x Poverty	None	None
KS	Tax Credit for Low Income Students Scholarship Program†	130% x Poverty	Yes	None
LA	Tuition Donation Rebate Program	250% x Poverty	Yes	None
NH	Education Tax Credit Program	300% x Poverty	Yes	None
OK	Oklahoma Equal Opportunity Education Scholarships	300% x FRL	None	None
PA	Educational Improvement Tax Credit Program	\$75,000 + \$15,000/child	None	None
PA	Opportunity Scholarship Tax Credit Program†	\$75,000 + \$15,000/child	None	None
RI	Tax Credits for Contributions to Scholarship Organizations	250% x Poverty	None	None
SC	Educational Credit for Exceptional Needs Children*	None	None	None
VA	Educational Opportunity Scholarships Tax Credits Program	300% x Poverty (400% for students w/ special needs)	Conditional	None

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

* Limited to students with special needs

† Limited to students in low-performing schools

§ Limited to children of active military members stationed in Arizona

Limited to students previously in foster care

FRL = Federal free and reduced-price lunch program

SCHOLARSHIP CAP	TESTING MANDATES	CREDIT VALUE	TOTAL CREDIT CAP	BUDGET CAP
Full Tuition	State or National	\$7,500 (individual) / 100% (business)	Yes	\$25 million
None	None	100%	Yes	None
\$5,000 (K-8) / \$6,300 (9-12)	None	100%	None	\$43 million (escalator)
90% State Funding	None	100%	None	\$5 million
None	None	100%	Yes	None
\$5,272	National	100%	Yes	\$357.8 million (escalator)
\$9,247 (2014)	None	100%	Yes	\$58 million
Full Tuition	National	50%	None	\$7.5 million
Full Tuition	None	65%	None	\$12 million
\$8,000	None	70%	None	\$10 million
Conditional	State	100%	None	None
\$2,541, on average / \$4,375 (special needs) / \$625 (homeschool)	None	100%	None	\$5.1 million
	Conditional	Conditional	Yes	\$3.5 million
Full Tuition	None	75% / 90%	Yes	\$100 million
\$8,500 / \$15,000 (special needs)	None	75% / 90%	Yes	\$50 million
None	None	75% / 90%	Yes	\$1.5 million
\$10,000	State or National	100%	Yes	\$8 million
Conditional	National	65%	Yes (individual) / None (business)	\$25 million

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

LEGAL HISTORY

The U.S. Supreme Court has declared vouchers, tax-credit scholarships, and individual tax deductions for educational expenses constitutional (Zelman 2002, Winn 2011, Mueller 1983). Those rulings, however, have not deterred legal challenges to school choice in state courts.

Alabama | Alabama Accountability Act of 2013 Parent-Taxpayer Refundable Tax Credits and Education Scholarship Program

In May 2014, the Montgomery County Circuit Court struck down the Alabama Accountability Act, which contains the Parent-Taxpayer Refundable Tax Credit program. Judge Gene Reese ruled the Act violated provisions in the Alabama Constitution concerning the manner in which legislation must be passed and that it also violated provisions restricting the use of public funds. The Alabama Attorney General's Office and the Institute for Justice, a public interest law firm that represents parents participating in the Accountability Act's school choice program, appealed the decision to the Alabama Supreme Court. The court heard oral arguments December 3, 2014, and has yet to rule on the case. The refundable tax credit and tax-credit scholarship programs continue to operate while the Alabama Supreme Court reviews the trial court's ruling. Also, in 2014, a U.S. District Judge dismissed a separate lawsuit that challenged the Alabama Accountability Act on grounds the school choice program violated equal protection. *Boyd v. Magee, C.M., et al., v. Robert J. Bentley, M.D.; et al.*

Arizona | Original Individual Income Tax Credit Scholarship Program

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

Arizona | Low-Income Corporate Income Tax Credit Scholarship Program

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

Arizona | Empowerment Scholarship Accounts

On March 21, 2014, the Arizona Supreme Court declined to review a Court of Appeals' ruling upholding the state's education savings accounts (ESA) program. The high court's decision essentially deemed the ESAs constitutional. *Niehaus v. Huppenthal*, No. 1 CA-CV 12-0242.

Colorado | Douglas County Choice Scholarship Pilot Program

In 2011, Douglas County's voucher program was challenged in state court and then enjoined. On February 28, 2013, the Colorado Court of Appeals ruled the voucher program does not violate any provisions of the state constitution, reversing a lower court ruling. Opponents of the program filed an appeal of the ruling with the Colorado Supreme Court. On December 10, 2014, the Colorado Supreme Court heard oral arguments for an appeal regarding the Douglas County Choice Scholarship Pilot Program. The program remains on hold until the legal dispute is resolved. *LaRue v. Douglas Co. Sch. Dist.*, Nos. 11CA1856 & 11CA1857, 2013 COA 20 (Colo. Ct. App., Feb. 28, 2013).

Florida | John M. McKay Scholarships for Students with Disabilities Program and Florida Tax Credit Scholarship Program

In July 2014, Citizens for Strong Schools, Inc. and Fund Education Now amended a five-year-old lawsuit alleging the state has failed to adequately fund public education to include new claims concerning the Florida Tax Credit Scholarship Program and the McKay voucher program for students with special needs. The plaintiffs' amended complaint contends the school choice programs, among other programs, unconstitutionally "divert" money from Florida's public schools. *Citizens for Strong Schools, et al. v. State Bd. of Educ., et al.*

Florida | Florida Tax Credit Scholarship Program

In August 2014, the Florida Education Association (FEA), the Florida School Boards Association (FSBA), and other groups filed a lawsuit challenging the Florida Tax Credit Scholarship Program. Plaintiffs claim the program aids religious institutions and violates the state's constitutional mandate to provide Florida children with free public schools. *Tom Faasse, et al. v. Rick Scott, as Governor and Head of the Department of Revenue, et al.*

Florida | Florida Tax Credit Scholarship Program and Personal Learning Scholarship Account Program

In December 2014, a judge dismissed the Florida Education Association's (FEA) lawsuit challenging Florida's Tax Credit Scholarship Program and Personal Learning Scholarship Accounts program. The original lawsuit was filed by the FEA to challenge a newly enacted law that includes an education savings account (ESA) for students with special needs—called the Personal Learning Scholarship Account—along with an expansion of the existing Florida Tax Credit Scholarship Program. The FEA contends the law violates a state constitutional requirement that each piece of legislation be limited to a single subject. In September 2014, a Florida judge dismissed the original FEA lawsuit after finding that the plaintiff did not have legal standing to sue. The FEA filed an amended complaint and added new plaintiffs to a lawsuit. The amended complaint contends public schools have lost funding because of the Florida Tax Credit Scholarship Program, and that the law containing the school choice programs violates a state constitutional requirement that each piece of legislation be limited to a single subject. On December 30, 2014, the judge dismissed the lawsuit on the grounds the new plaintiffs did not have standing to sue.

Georgia | Qualified Education Expense Tax Credit

On May 8, 2014, the Institute for Justice, a public interest law firm, filed a motion to intervene in a lawsuit challenging the constitutionality of Georgia's tax-credit scholarship program. The initial lawsuit, which was filed in April by four Georgia residents backed by the Southern Education Foundation, argues that the scholarship program violates the state constitution's ban on providing public support to religious institutions. The next hearing date has yet to be determined. *Gaddy v. Department of Revenue.*

Illinois | Tax Credits for Educational Expenses

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

Indiana | Choice Scholarship Program

On July 1, 2011, teachers' union officials and others challenged Indiana's voucher program in state court, alleging the Indiana Constitution prohibits funding of religious schools. A Marion County

LEGAL HISTORY (continued)

Superior Court judge denied a motion for preliminary injunction. The trial court issued a summary judgment January 13, 2012, in favor of the program. After an appeal was issued, the Indiana Supreme Court heard oral arguments on the program November 21, 2012. On March 26, 2013, the Indiana Supreme Court ruled unanimously the Choice Scholarship Program does not violate any provision of the state constitution. *Meredith v. Pence*, Indiana Supreme Court, No. 49S00-1203-PL-172.

Louisiana | Louisiana Scholarship Program

April 10, 2014, the Fifth Circuit Court of Appeals reversed the district court ruling denying parents the right to intervene in the Department of Justice request for injunction against the Louisiana voucher program in the decades-old desegregation case, *Brumfield v. Dodd*, 405 F. Supp. 338 (E.D. La. 1975). A hearing was held on January 22, 2014 to assess the progress toward an agreement between the state and the U.S. Department of Justice to ensure the statewide voucher program does not encourage segregation.

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

Maine | Town Tuitioning Program

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

Minnesota | Education Deduction

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

New Hampshire | Education Tax Credit Program

The New Hampshire Supreme Court issued a decision in *Duncan v. State of New Hampshire* on August 28, 2014. This case positioned individuals represented by the American Civil Liberties Union (ACLU) and Americans United for Separation of Church and State (AU) against the state's new tax-credit scholarship program. In the decision, the court dismissed the lawsuit due to lack of standing by the defendants; the court reasoned they were unable to show harm caused by the program. The

justices overturned a previous lower court ruling, which disallowed scholarships to schools that were religiously affiliated. The program will be allowed to continue unabated.

North Carolina | Opportunity Scholarships

On May 14, 2014, an injunction that prevented North Carolina's Opportunity Scholarship Program from distributing vouchers to low-income families was lifted by the North Carolina Supreme Court, granting a motion filed by the Institute for Justice, a public interest law firm defending parents in the case. This new voucher program may now proceed while litigation moves forward in the North Carolina Supreme Court. *Hart v. North Carolina; Richardson v. North Carolina*.

Ohio | Cleveland Scholarship Program

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

Oklahoma | Lindsey Nicole Henry Scholarships for Students with Disabilities

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

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

Vermont | Town Tuitioning Program

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

Wisconsin | Milwaukee Parental Choice Program

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

Additional information on school choice legal developments is available at the Institute for Justice, ij.org/SchoolChoice.

DATA SOURCES FOR PROGRAM PROFILES

AZ: Arizona Department of Revenue; Public Records Request response from Aiden Fleming, Arizona Department of Education; D.C.: DC Children and Youth Investment Trust Corporation; FL: Florida Department of Education; Jon East, Step Up For Students; GA: Georgia Department of Education; Georgia Department of Revenue; IL: FOIA response from Abbie Rennolds, Illinois Department of Revenue; IN: Public Records Request response from Office of Legal Affairs, Indiana Department of Education; Paul Leiter, Indiana Department of Revenue; IA: Iowa Department of Revenue; Jim McNulty, Iowa Department of Revenue; LA: Amanda Hollman, Louisiana Department of Education; Ian Cruise, Louisiana Department of Revenue; ME: Rick Bergeron, Maine Department of Education; MN: Mike Reinartz, Minnesota Department of Revenue; MS: Public Records Request response from Office of Reporting, Mississippi Department of Education; NH: New Hampshire Department of Revenue Administration; NC: Bill Cox, North Carolina State Education Assistance Authority; OH: David Hansen, Ohio Department of Education; OK: Barney Semtnner, Catholic Schools Opportunity Scholarship Fund; Elizabeth Vereecke, GO for Catholic Schools; Open Records Act Request response from Kallee Isenhour, Oklahoma Department of Education; PA: Jim O'Donnell, Pennsylvania Department of Community and Economic Development; RI: Rhode Island Department of Revenue; UT: Barbara Bickmore, Utah State Office of Education; VA: Todd Gathje, Virginia Department of Education; Chris Braunlich, Thomas Jefferson Institute for Public Policy; VT: FOIA response from Aaron Brodeur, Vermont Agency of Education; WI: Wisconsin Department of Public Instruction

Requirements for the programs were taken from Matt Frendewey, Kimberly Kump, Kim Martinez, Stephanie Malin, and Whitney Marcavage, *Hope. Action. Results.*, School Choice Yearbook 2013-14 (Washington, DC: Alliance for School Choice, 2014), <http://allianceforschoolchoice.org/yearbook>.

METHODOLOGY & DATA SOURCES FOR ELIGIBILITY

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

Eligibility based on family income was generally calculated as follows: Determined *average family size* for the pertinent state/district using 2013 American Community Survey (ACS), table DP02 via American FactFinder. Determined *income limit* based on *average family size* and program income limits using the USDA's income eligibility guidelines for poverty and the free and reduced-price lunch program posted online via *Federal Register* 79, no. 43 (Spring 2014), pp. 12467-69. Determined *total families eligible* by summing the number of families in the income brackets below the income bracket with the *income limit* using 2013 ACS, table B19101 via American FactFinder. Divided *total families eligible* by *total families*, also found on 2013 ACS, table B19101, to find a rough estimate.

Eligibility based on students was generally calculated as follows: Found the number of applicable students in public schools in a state/district using Common Core of Data (CCD), "Public Elementary/Secondary School Universe Survey," 2012-13 v.1a via EISi tableGenerator. Found the number of applicable students in private schools in a state/district using either Stephen P. Broughman and Nancy L. Swaim, *Characteristics of Private Schools in the United States: Results From the 2011-12 Private School Universe Survey*, NCES 2013-316 (Washington, DC: US Dept. of Education, National Center for Education Statistics), table 15, p. 20 (for state) or PSS Private School Universe Survey data for the 2011-12 school year (for district) and added this to number of public school students to get *total students*. Added number of public school students to number of students participating in the program to get *total students eligible*. (Note: This step differed the most among programs, depending on whether or not the program was limited to students with special needs, low-performing schools, in foster care, and/or children of active-duty military members.) Divided *total students eligible* by *total students* to find a rough estimate.

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

AL: "Failing Schools Lists" and "Public Data Report: Enrollment by Ethnicity and Gender (School Level)" via ALSDE.edu; AZ: "10/1 Child County by Disability" via AZED.gov; Jonathan Butcher, Goldwater Institute; FL: Children's Bureau, "FY2004-FY2013 Foster Care: Entries, Exits, and In Care on the Last Day of Each Federal Fiscal Year"; LA: "School Performance Scores" and "Multi-Stats (Elem-Sec by Site) – Public" via LouisianaBelieves.com; MS: Historical State-Level IDEA Data Files, "Part B Child Count" via TA&D Network; OH: Historical State-Level IDEA Data Files, "Part B Child Count" via TA&D Network; "EdChoice Scholarship Program: List of Designated Schools and "Current Year Data: Fall Enrollment (Headcount)" via education.Ohio.gov; 2013 ACS, tables B05009 and B01001; PA: "List of Low Achieving Schools" and "Enrollment Public Schools" via portal.state.pa.us

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One American Square
Suite 2420
Indianapolis, IN 46282
(317) 681-0745
edchoice.org

Dr. Milton Friedman, Founder

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