



Backgroundnder

Executive Summary

No. 1438

May 16, 2001

PROGRESS ON SCHOOL CHOICE IN THE STATES

JENNIFER GARRETT

The movement to enable more parents to choose the schools their children attend is gaining ground. Last year, presidential and congressional candidates brought much-needed attention to the problems plaguing public education. President George W. Bush made school choice an important element of his education platform “to leave no child behind.” And a growing body of research demonstrates that school choice can improve the academic performance of at-risk children and even foster competition and accountability in public school systems.

Today, 37 states and the District of Columbia have enacted charter school or voucher legislation. Indiana’s governor signed the state’s first charter law on May 2, and an effort to overturn Oregon’s charter school law last year failed when opponents obtained fewer than half of the signatures needed to place it on the ballot. To date, no state has repealed a charter school law.

The Growing Popularity of Choice. Public approval of school choice continues to grow. Approximately half of the respondents in a 2000 nationwide poll conducted by the Center on Policy Attitudes favored the use of vouchers for tuition at private and religious schools. A recent survey conducted for the National Education Association and released in March 2001 found that a clear majority of Americans support the President’s proposal to allow parents of children in

chronically failing schools to use public dollars to send their children to a public, private, or charter school of choice. In fact, 63 percent favored giving them tuition vouchers worth \$1,500 a year. And a group known as Parents in Charge released the results of a survey in April 2001 indicating that 82 percent of parents want to be in charge of their children’s education and 72 percent believe competition improves education.

Some of the nation’s most prominent African–American leaders also support choice: for example, former Atlanta Mayor Andrew Young; Martin Luther King III, the President of the Southern Christian Leadership Conference; and former Colorado NAACP President Willie Breazell, who was asked to leave his post after publicly voicing his support for school choice.

In September 2000, former Superintendent of Milwaukee Schools Howard Fuller, now director of the Institute for the Transformation of Learning at Marquette University, announced the formation

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of the Black Alliance for Educational Options (BAEO) to bring public attention to the importance of choice for children in inner-city poor communities. The theme of the alliance's compelling television advertisement—"school choice is widespread unless you're poor"—is resonating with the poor and minority families who are most often shortchanged by public education. Fuller believes that vouchers giving minority parents the ability to take their children out of failing schools will help to close the achievement gap.

Even former critics of school choice are now agreeing that choice matters. John Witte, a professor at the University of Wisconsin–Milwaukee who was hired by Wisconsin to evaluate the effectiveness of Milwaukee's choice program, concluded on the basis of his initial research that expanded choice had little impact. Now, based on the overwhelming weight of the evidence since his original study, he concedes that choice can be a "useful tool to aid low-income children."

More Interest by the States. The increasing national popularity of choice means that even more state legislatures and school districts are considering choice-related proposals. For example, at least 21 states considered legislation in 2000 to create charter schools or voucher programs for low-income students. At least 18 states considered tax credits or tax deductions that in four states are already helping parents with their educational expenses and encouraging contributions to scholarship programs for low-income students. Today, nearly 100 privately funded programs and five publicly funded scholarship programs together enable almost 70,000 disadvantaged students to attend a better school.

Victories in Court. Supporters of school choice also have found much to applaud in how the courts are handling anti-choice suits. Victories for choice were won in Florida, Illinois, New Jersey, Ohio, and Utah. For example, the New Jersey and Utah Supreme Courts found their charter school laws constitutional; and on April 21, 2000, a

circuit court judge dismissed a lawsuit filed by the Illinois Education Association and other organizations against the state's tax credit for education-related expenses (tuition, book fees, and lab fees) that exceed \$250 per child or \$500 per family.

More Activity to Come. The outlook for choice in 2001 is promising. For example:

- Amendments to strengthen charter school laws are pending in Minnesota, Missouri, Connecticut, Florida, Nevada, Illinois, and Alaska. Charter school legislation is moving through the Iowa legislature for the first time.
- Voucher legislation has been proposed in eight states, including Connecticut, Florida, Maryland, New York, and Texas. A corporate income tax credit for private school tuition, already approved by the Florida House, was recently passed by the state Senate. A similar tax credit bill was recently passed in Pennsylvania.
- Tuition tax credit bills have been introduced in 10 states.

Conclusion. The popularity of school choice will expand as more Americans realize that it improves student achievement, challenges public schools to improve, and enables more low-income families to give their children the best education. It recognizes that mediocrity is no longer good enough for America's students. Real education reform will not take root unless policymakers empower parents and teachers to make the decisions affecting their children's education. Bureaucrats may know line items in the budget, but parents and teachers know the students and their needs. School choice can maximize the nation's sizeable investment in education and help the United States ensure that all its children, regardless of their socioeconomic status or where they live, have the opportunity to succeed.

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PROGRESS ON SCHOOL CHOICE IN THE STATES

JENNIFER GARRETT

The school choice movement to enable more parents, particularly low-income parents, to choose the schools their children attend is gaining ground. As presidential and congressional candidates hotly debated this issue last year, they brought much-needed attention to the problems plaguing public education today and heightened the interest in choice in both state legislatures and school districts across the country. For example:

- At least 21 states considered legislation in 2000 to create charter schools or voucher programs to enable low-income parents to choose the best schools for their children. On May 2, 2001, Indiana became the 37th state (with the District of Columbia) to enact a charter school law.
- At least 18 states considered tax credits or deductions for educational expenses or contributions to scholarship programs for low-income students. Currently, four states already have enacted such legislation.
- The number of scholarships available for low-income children to attend a school of choice increased, with more than 50,000 students benefiting from 79 privately funded scholarship programs and another 12,000 from five publicly funded programs. The 80th private program was initiated in January 2001.

The school choice movement became more bipartisan as well, gaining new allies from Main Street to Pennsylvania Avenue. Indeed, President George W. Bush made school choice an important element of his education platform “to leave no child behind.” In addition, a richer and more impressive body of research is demonstrating the positive effects of choice. School choice improves the academic performance of at-risk children, promotes parental involvement, and fosters competition and accountability in those public school systems that allow increased parental choice.

Choice matters. Public school children simply are not making the gains parents expect of them based on the sizeable amount government spends each year on education—a fact reinforced by the stagnant results of the 2000 National Assessment of Educational Progress (NAEP) in reading.¹ For almost four decades, America has tried to solve its education problems with more and more federal

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spending, yet America's children continue to fall further behind many of their international peers on tests of core academic knowledge. Merely increasing spending simply does not increase either learning or test scores.

Public schools certainly need adequate funding to help students excel, but they also need accountability. Testing and choice are two policies that result in greater accountability. President Bush's *No Child Left Behind* education reform plan, released in January 2001, includes proposals to improve testing and choice.² Regularly testing students and publicizing the results would motivate teachers and schools to improve, while vouchers would help disadvantaged students escape schools that continually fail to help them learn.

School choice fosters innovation, competition, and the motivation to change. It challenges the status quo, particularly in the legislatures and courts, by arguing that mediocrity is no longer good enough for America's students. Even former critics of school choice are now agreeing that choice matters. For example, John Witte, a professor at the University of Wisconsin–Milwaukee, was hired by Wisconsin to evaluate the effectiveness of Milwaukee's choice program. Originally, Witte's research led him to conclude that expanded choice had little impact. Now, however, based on the overwhelming weight of the evidence since his original study, he concedes that choice can be a "useful tool to aid low-income children."³

Congress also has a role to play, particularly in reauthorizing the 36-year-old Elementary and Secondary Education Act (ESEA), which has sent roughly \$130 billion in federal dollars to the states to fund numerous categorical education programs.

In the future, Members should consider including measures to promote accountability, flexibility, and parental choice. Currently, the states accepting these funds expend significant time, at great cost, to meet complicated federal formula and application guidelines. Yet they are not required to show results: specifically, that the children in their programs are improving academically. Despite billions spent under Title I to close the achievement gap between economically disadvantaged students and their peers, the gap is widening. Parents are understandably disillusioned. They deserve results, and they need accountability to regain their faith in public education.

President Bush is recommending strong improvements in annual testing in order to highlight what is working in education. Such testing would enable public school districts to improve curricula and services and empower parents to choose the best school for their children. Parents of disadvantaged children in persistently failing or unsafe schools could carry their federal dollars to another public or private school of choice.

Congress can help the President to advance this initiative. To increase understanding of the benefits of choice, Congress could foster large-scale demonstration projects from which to build a reliable research database on the effects of choice on achievement. Such a provision was in the original draft of the No Child Left Behind Act of 2001 (H.R. 1), which is currently before the House, but was eliminated during committee markup.⁴ Congress also should support the states in their efforts by giving them flexibility in spending federal program dollars while also requiring accountability for results.

1. The National Center for Education Statistics released *The Nation's Report Card: Fourth-Grade Reading 2000* in early March 2001. According to that report, 4th grade reading scores nationwide were comparable to the 1996 scores. See the findings at <http://nces.ed.gov/nationsreportcard>.
2. The President's proposal, *No Child Left Behind*, is available at <http://www.whitehouse.gov/news/reports/no-child-left-behind.html> (March 19, 2001).
3. See Joe Williams, "Ex-Milwaukee Evaluator Endorses School Choice," *Milwaukee Journal Sentinel*, at <http://www.jsonline.com/news/Metro/jan00/witte09010800a.asp> (January 8, 2000).
4. For more on the need for such projects, see Thomas Dawson, "Why Congress Should Foster Research on School Choice," Heritage Foundation *Executive Memorandum* No. 738, April 13, 2001.

PUBLICLY FUNDED SCHOOL CHOICE

Efforts to improve the public school system and to improve results in many states increased in 2000, following the lead of states like Florida and Illinois.

Governor Jeb Bush (R) and T. Willard Fair of the Urban League of Greater Miami helped Florida to become the first state to offer parents a “money back guarantee” if their children are trapped in failing schools. This statewide plan allows students in schools that fail state assessments in two out of four years to carry their per-pupil public dollars to another school of choice in the form of “Opportunity Scholarships.” In the program’s first year (1999–2000), 134 families in two Pensacola elementary schools qualified for the scholarships, including 78 for transferring to another public school.⁵ Last year, no new vouchers were offered because these schools had reformed sufficiently to avoid a failing grade. Florida also offers students with disabilities scholarships to attend a private school; more than 1,000 students now use them to attend over 100 private schools.⁶

Illinois has instituted a tax credit of up to 25 percent of education-related expenses (tuition, book fees, and lab fees) that exceed \$250 per child or \$500 per family. This initiative has been challenged in court. On April 21, 2000, a circuit court judge dismissed a lawsuit filed by the Illinois Education Association and other organizations.⁷

Meanwhile, policymakers in Washington, D.C., have been considering measures to expand parental choice, as well as ways to evaluate the effects of choice. For example, *Making Money Matter*:

Financing America’s Schools, a report prepared by the National Research Council and commissioned by the Clinton Administration, recommends that the government conduct a “large and ambitious” research experiment to determine whether school choice programs improve student performance. As the report points out, while housing, welfare, and medical policies frequently are subjected to such research to test their effectiveness, school choice is not. The panel recommends conducting projects for up to 10 years to determine whether school choice results in “broad-based improvement in educational outcomes, especially for children in concentrated areas of disadvantage.”⁸

Efforts were made to include several choice provisions in H.R. 1 that would have enabled disadvantaged children in failing Title I schools to take their Title I dollars to a higher-achieving public or private school. Students in dangerous schools would have had the opportunity to transfer to a safe school. The initial draft of the bill also provided funds for school choice demonstration programs. These provisions echoed elements of the President’s *No Child Left behind* education plan, but nevertheless were cut from the bill before it was approved by the House Committee on Education and the Workforce.⁹

Congress also has been considering educational savings accounts. On March 13, 2001, the Senate Finance Committee approved an amendment to the Affordable Education Act of 2001 that would authorize tax-free savings accounts for K–12 expenditures. The Senate will consider this bill later this year. A similar bill was introduced in the House.

5. As of March 2001, 53 students from these schools are using the vouchers. No new students qualified for the program in 2000–2001 because the schools had raised scores sufficiently to avoid another failing grade. See Jessica Sandman, “Study Finds ‘Voucher Effect’ in Florida Test Gains,” *Education Week*, February 21, 2001.
6. Under the program, a disabled child in any public school who cannot meet individual performance goals can qualify for a voucher to attend a private school. See “Voucher Program for Disabled Quietly Enrolls 1,004 Students,” *News-Journal Online*, February 5, 2001.
7. E-mail correspondence from Maureen Blum, Director of Outreach Programs, Institute for Justice, April 21, 2000.
8. Helen F. Ladd and Janet S. Hansen, eds., *Making Money Matter: Financing America’s Schools*, Committee on Education Finance, National Research Council, 1999.
9. Erik Robelen, “Senate Panel Approves ESEA Reauthorization,” *Education Week*, March 15, 2000.

CHARTER SCHOOL DEVELOPMENTS

The first charter school opened its doors in 1992. As of February 2001, more than 2,000 charter schools were open in 34 states and the District of Columbia, serving over 500,000 students.¹⁰ Just recently, the governor of Indiana signed a bill into law authorizing the establishment of charter schools. This step was the culmination of a long effort by leading businesses, foundations, policymakers, and citizens to offer children in poor performing schools a choice. Several states have responded to the growing popularity of charter schools by also rushing to lift the cap on the number of schools they allow.¹¹

Commonly, these schools emphasize parental involvement and the hiring of staff members who embrace the mission of the charter. Charter schools introduce flexibility, accountability, and choice into a public school system. Moreover, they are having beneficial effects on their public school systems, as the research of Scott Milliman of James Madison University, Fredrick Hess and Robert Maranto of the University of Virginia, and social psychologist April Gresham of Charlottesville, Virginia, shows.¹² Based on a March 1998 survey of Arizona public school teachers, these researchers found that the opening of charter schools led to the following changes between the 1994–1995 and 1997–1998 school years:

- Districts made greater attempts to inform parents about school programs and options;

- Districts placed greater emphasis on professional development for teachers; and
- School principals increased consultations with their teaching staffs.¹³

The establishment of charter schools pushes district schools to compete in offering students a high-quality education. Another study found that charter schools are more consumer-friendly, treat parents better than do traditional public schools, and are evolving as substitutes for private schools.¹⁴

Most charter schools are small, with an average enrollment of 137 students—roughly one-fourth the average public school enrollment of 475 students.¹⁵ In 1998, white students made up about 48 percent of charter school enrollment, compared with about 59 percent of the public school enrollment in 1997–1998.¹⁶ In Texas, charter schools actually have higher percentages of African–American (33 percent vs. 14 percent), Hispanic (43 percent vs. 39 percent), and economically disadvantaged (52.6 percent vs. 48.5 percent) students than do the public schools.¹⁷ Such findings counter the claims that charter schools attract disproportionately large numbers of white students from public schools.¹⁸

Among charter school developments last year:

- **Arkansas** approved its first charter school application five years after passing a charter school law. The Grace Hill Elementary School converted to charter status to gain more

10. New Hampshire and Wyoming have enacted weak charter school laws but have not opened any charter schools. Indiana just passed a strong charter school law, so no charters have been approved. See Center for Education Reform, “Charter School Highlights and Statistics,” at <http://www.edreform.com> (May 2001).

11. Kate Zernike, “A Second Look: Chartering the Charter Schools,” *The New York Times*, March 25, 2001.

12. Scott McMilliman *et al.*, “Coping with Competition: How School Systems Respond to School Choice,” May 1999.

13. Nina Shokraii Rees, *School Choice 2000: What’s Happening in the States* (Washington, D.C.: The Heritage Foundation, 2000).

14. Paul Teske, Mark Schneider, Jack Buckley, and Sara Clark, State University of New York–Stony Brook, “Does Charter School Competition Improve Traditional Public Schools?” Center for Education Reform, June 2000.

15. *Ibid.*

16. See U.S. Department of Education Web site at <http://www.ed.gov/pubs/charter4thyear>

17. Center for Education Reform, “Texas Open-Enrollment Charter Schools, Third Year Evaluation: March and July 2000,” at <http://www.edreform.org/pubs/charters.htm>

18. *Ibid.*

flexibility in restructuring staffing and instruction.¹⁹

- In **Oklahoma**, a group called Parents for a New Middle School received the state's first school-board-approved charter.²⁰
- The **New Jersey** and **Utah**²¹ Supreme Courts ruled that their states' charter school laws were constitutional.
- Opponents of charter schools in **Oregon** obtained fewer than half of the 66,786 signatures required to place on the November 2000 ballot an initiative to overturn the state's charter school law. To date, no state has repealed a charter school law.²²
- The Alexandria, **Virginia**, school board voted unanimously in favor of opening charter schools.²³ As of January 2001, 76 school systems in Virginia have agreed to accept charters. Applications are being accepted for the state's first two charter schools.²⁴
- **Wyoming's** legislature gave initial approval to a sweeping rewrite of a bill to make it easier to charter a school.²⁵

PRIVATE SCHOLARSHIPS

Thanks to such prominent private foundations as the Children's Scholarship Fund (CSF) and Children First CEO America, the number of privately funded scholarship programs for low-income public school students to attend a private school of choice is growing.

Children First America sponsors private voucher programs in 70 cities nationwide.²⁶ In 2000, Maine, New Mexico, and Virginia joined the list of 36 CEO states and the District of Columbia²⁷ that offer at least one private scholarship program. In January 2001, the 80th program was initiated. Children First Utah launched a \$2 million statewide privately funded voucher program for up to 200 low-income children to attend a school of choice in 2001–2002. The group plans to increase that number each year by 200 until 1,000 scholarships are awarded annually.²⁸

The Children's Scholarship Fund, which awarded its first scholarships in Washington, D.C., in 1997, sponsors 36 programs around the country. Nearly 40,000 children at over 7,000 private schools benefit from its partial four-year scholarships. Over 1.25 million low-income parents in over 20,000 communities had applied for these scholarships. The CSF's founders have concluded that "philanthropy alone could not solve the problem" and that, even if they could raise more money, "there simply are not enough seats under the current system to provide a real alternative to government-run schools." Consequently, the CSF is working with investors, entrepreneurs, educators, and policy experts to "rethink the way we fund and deliver education, and consider the merits of moving to a more market-driven system characterized by diversity, competition, and excellence."²⁹

19. Center for Education Reform Newswire, January 17, 2000.

20. Center for Education Reform Newswire, March 8, 2000.

21. Associated Press, "Charter Schools Are Ruled Constitutional," *Utah Deseret News*, January 19, 2001.

22. Center for Education Reform Newswire, July 25, 2000.

23. Emily Wax, "Alexandria Votes to Consider Charter Schools," *The Washington Post*, December 21, 2000.

24. Telephone conversation with Cheri Yecke, Virginia Deputy Secretary of Education, April 16, 2001.

25. Associated Press, "Charter School Bill Moves Forward," February 22, 2001.

26. CEO America's mission is to serve as the national clearinghouse on privately funded vouchers, provide support services for existing programs and matching grant moneys to help develop these programs, and coordinate the development of new programs. See Children First CEO America, at <http://www.childrenfirstamerica.org>

27. CEO America began as the Children's Educational Opportunities (CEO) Foundation in Texas in 1992.

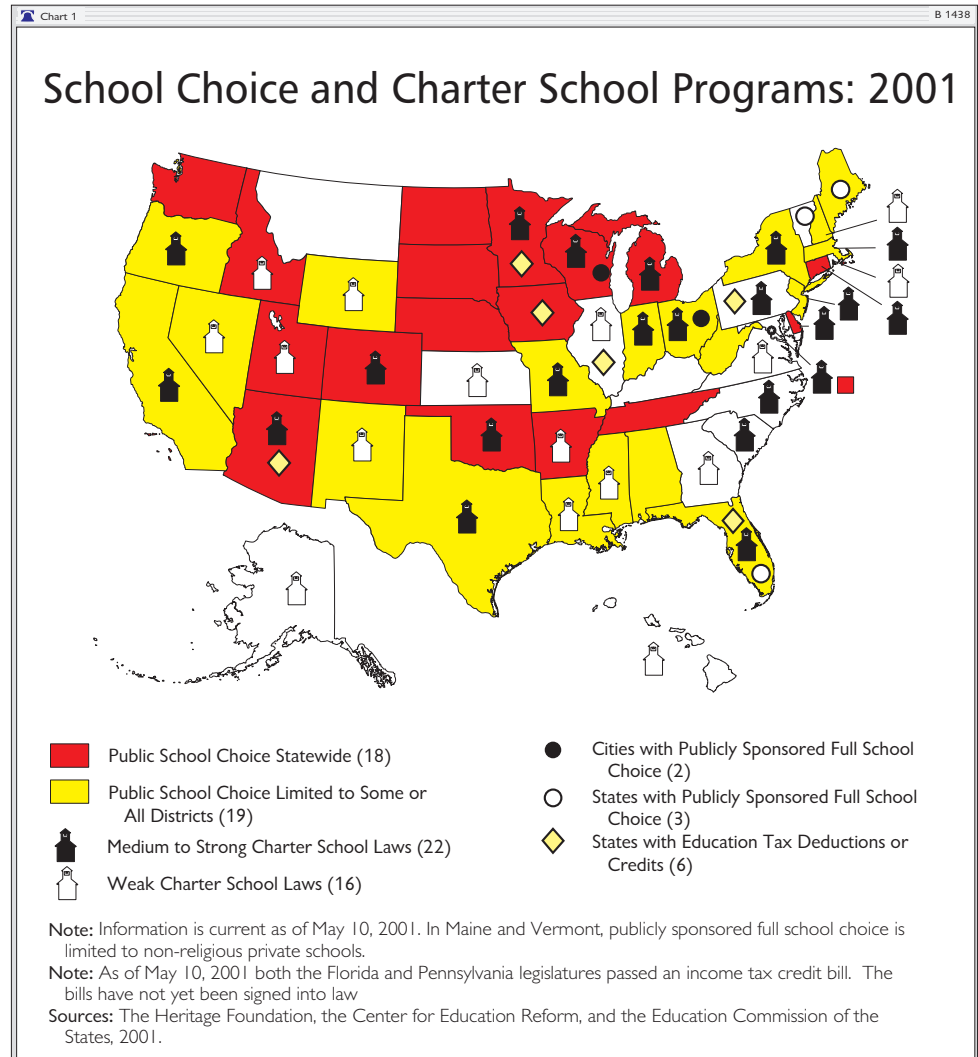
28. Phone conversation with David Salisbury, Children First Utah, January 15, 2001.

Among the scholarship programs established in 2000:³⁰

- In **Colorado**, the Alliance for Choice in Education was established to provide up to 500 low-income children in failing schools in the Denver metropolitan area with tuition scholarships of up to \$2,000 to attend a private or religious school.
- In **Indiana**, Gary school superintendent Kim Pryzbylski founded the Northwest Indiana Children's Scholarship Fund, which serves 100 elementary school students at 34 parochial schools.
- The **Maine** Children's Scholarship Fund was established, after citizens raised \$100,000, with a \$50,000 matching grant from Children First America.

The program provides 1,581 students with tuition scholarships; an additional 28 scholarships are planned for 2001–2002.

- The Educate **New Mexico** program, launched in spring 2000, offers 400 privately funded tuition scholarships to families and children across the state. The scholarships provide \$1,000 in tuition assistance for children in grades K–6 and \$1,500 for grades 7–10. The first round of applications resulted in 189 awards.



- In **Ohio**, three choice programs began with challenge grants from Children First America. Children First Columbus, launched in July, provides 100 students with at least \$750 to attend an archdiocesan Catholic school or other independent or non-public school in the area.
- In **Virginia**, former Circuit City Stores CEO Rick Sharp created Children First Virginia, the state's first privately funded voucher program. It awarded 162 scholarships for the 2000–

29. The CSF is a \$100 million foundation underwritten by entrepreneurs Ted Forstmann and John Walton. It offers challenge grants to groups that fund scholarships for poor students in failing schools to attend a school of choice. See <http://www.scholarshipfund.org>.

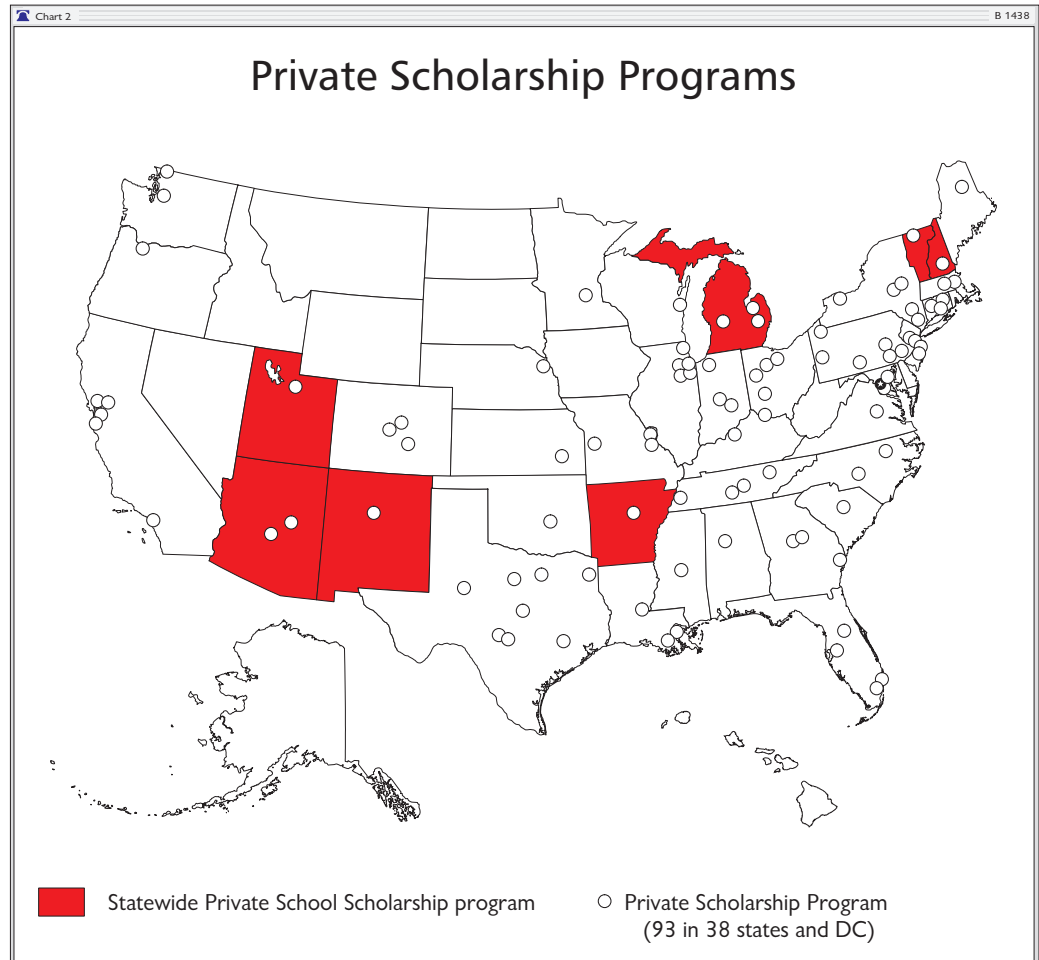
30. "Children First America Helps Launch 10 New Private Voucher Programs in 2000," *School Reform News*, Vol. 5, No. 2 (February 2001).

2001 school year. The vouchers of up to \$2,000 per year can be used to pay tuition at any public, private, or parochial school.

PROGRESS IN THE COURTS

Supporters of school choice found much to applaud in how the courts handled suits against choice initiatives. For example:

- A **Florida** appellate court ruled in October 2000 that the state's eight-month-old school voucher program is constitutional and can remain in effect.³¹ Opponents challenged this program before the state Supreme Court, which recently refused to consider the challenge.
- In 1999, **Illinois** had enacted a tax credit for up to 25 percent of education-related expenses (such as tuition, book fees, and lab fees) exceeding \$250 per child or \$500 per family. This law was challenged in two separate cases. On April 21, 2000, an Illinois Circuit Court judge dismissed a lawsuit filed by the Illinois Education Association and other organizations challenging the credit's constitutionality. On April 4, 2001, the Appellate Court for the Fifth Judicial District unanimously upheld the constitutionality of the tax credit law.³²
- **New Jersey** charter schools were ruled constitutional by the state's high court on June 28, 2000. The court acknowledged that the Commissioner of Education had been (and should be) mindful of the potential racial and financial impact of charter schools on school districts.³³
- In **Ohio**, on March 13, 2001, the U.S. Court of Appeals decided to allow the Cleveland choice program to continue operating while supporters seek a U.S. Supreme Court review of a December 2000 ruling that the program is unconstitutional.³⁴ Cleveland's five-year-old Scholarship and Tutoring Program provides some 4,000 low-income students with publicly



31. George A. Clowes, "Court Upholds Florida Voucher Program," *School Reform News*, November 2000.

32. E-mail correspondence from Maureen Blum, the Institute for Justice, April 4, 2001.

33. See Center for Education Reform Web site, at <http://www.edreform.com>.

34. Center for Education Reform Newswire, March 13, 2001.

financed grants of up to \$2,250 to help pay tuition at a private school.³⁵

- The **Utah** Supreme Court ruled in January 2000 that the state's 1998 charter school law is constitutional. The Utah School Boards Association had challenged the constitutionality of the law authorizing as many as eight charter schools in a three-year experiment with rigorous controls. The court, in rejecting the board's argument, called the challenge "unreasonable." This was the 12th choice law to be upheld by a state high court in suits filed by public school boards.³⁶

WHAT THE RESEARCH SHOWS

Several studies of school choice programs released during the past year demonstrate the significant benefits of choice. For example, they find that choice:

- **Improves academic performance.** A March 2001 report commissioned by New York University found that City Catholic school students achieve higher scores than do public school students on New York's 4th and 8th grade standardized tests. Moreover, students in Catholic schools pass their exams at a higher rate. "The study demonstrates that Catholic Schools are more effective in severing the connection between race or income and academic performance," said Professor Joseph Viteritti, co-chair of the University's Program on Education and Civil Society.³⁷

In August 2000, Harvard University's Paul Peterson and his colleagues released the results

of a study of privately funded voucher programs in New York; Dayton, Ohio; and the District of Columbia. They found that African-American children who used vouchers to attend private schools made significant academic improvements. Black students in their second year at a private school had improved their test scores by 6.3 percentile points, a striking advance at a time when schools around the country are showing an inability to close the achievement gap between white and black students.³⁸

A Western Michigan University study of students in Pennsylvania's charter public schools, released in October 2000, showed gains on state assessments of more than 100 points after just two years. The students outscored the other schools in their districts by 86 points. The study found that the charter schools were smaller but served more at-risk students and more minority students than did the traditional public schools. Its findings destroy the claims that charter schools "cream" the best students from public schools and will not increase academic achievement.³⁹

Finally, Jay P. Green, a senior fellow at the Manhattan Institute for Policy Research, conducted a nationwide study on the correlation between academic excellence and the availability of choice.⁴⁰ Based on his research, he has created an *Education Freedom Index* to rank the states. The first state rankings were released in October 2000. The top 10 states are Arizona, Minnesota, Wisconsin, New Jersey, Oregon,

35. Kenneth Cooper, "Appeals Court Rejects Vouchers in Cleveland as Unconstitutional," *The Washington Post*, December 12, 2000.

36. Associated Press, "Charter Schools Are Ruled Constitutional."

37. Press Release, "Catholic Schools Outperform Public Schools on State English and Math Exams: New Study Says," New York University, March 22, 2001. For entire report, see <http://www.nyu.edu/wagner/education/pecs/CathSchools-Report.rtf>.

38. Paul Peterson *et al.*, "Test Score Effects of School Vouchers in Dayton, Ohio, New York City, and Washington D.C.: Evidence from Randomized Field Trials," Harvard University, August 2000.

39. Tamara Henry, "Scores Up for Charter Schools," *USA Today*, March 28, 2001. For entire study, see Gary Miron and Christopher Nelson, *Autonomy in Exchange for Accountability: An Initial Study of Pennsylvania Charter Schools*, Western Michigan University, October 2000.

40. Jay P. Greene, *The Education Freedom Index*, The Manhattan Institute Civic Report No. 14, September 2000.

Texas, Delaware, Colorado, Maine, and Connecticut. The worst 10 are Georgia, Alaska, South Carolina, Virginia, Rhode Island, Maryland, Kentucky, Nevada, West Virginia, and Hawaii.

- **Helps low-income families.** In August 2000, Dr. Greene released the results of a study on the Charlotte, North Carolina, scholarship program. Among the study's findings: School choice improves scores, pleases parents, provides a safer environment, reduces racial conflict, operates with less money, offers smaller class size, and helps low-income parents.⁴¹

In early 2000, John Witte, a professor at the University of Wisconsin–Milwaukee and the official evaluator of Milwaukee's school choice program, released the results of his latest study of that program. His prior reports have often been used to show that school choice does not work. Based on his most recent study, however, Witte concludes in *The Market Approach to Education: An Analysis of America's First Voucher Program* that choice is a "useful tool to aid low-income families."⁴²

As a report released in early 2000 by Wisconsin's Legislative Audit Bureau found, despite fears of "creaming" and segregation, the Milwaukee school choice program served a student population that was demographically identical to Milwaukee's public school student population. It also concluded that most of the schools participating in the program were

providing high-quality academic programs and tests.⁴³

- **Improves public schools.** According to "School Choice and School Productivity," a February 2001 study by Harvard University economist Caroline Hoxby, Milwaukee's public elementary schools have improved as a result of the private school choice program.⁴⁴ Jay P. Greene of the Manhattan Institute, in another study released in February, found similar results in Florida.⁴⁵ He also found that academic performance at the public schools improved when choice was available.

This is similar to the findings of an October 2000 study of Florida's school choice initiative, which concluded that competition from choice sparks widespread public school reform.

"Competing to Win: How Florida's A+ Plan Has Triggered Public School Reform" describes the steps public schools took to improve instruction and teacher training after the nation's first statewide choice program was instituted. Schools that had received a grade of "F" for the 1998–1999 school year showed an increase in test scores for 1999–2000 that was over twice as large as that of schools that had not received a failing grade. The study finds that meaningful public school reform is unlikely without the consequences and market forces that accompany school choice.⁴⁶

- **Promotes effective school spending.** A December 2000 report on the benefits of school choice conducted by Hoxby notes that school choice improves educational performance while reducing spending. In

41. Jay P. Greene, "The Effect of School Choice: An Evaluation of the Charlotte Children's Scholarship Fund," The Manhattan Institute *Civic Report* No. 12, August 2000.

42. Williams, "Ex-Milwaukee Evaluator Endorses School Choice."

43. See Wisconsin Legislative Audit Bureau Web site, at <http://www.legis.state.wi.us/lab/windex.htm>

44. Caroline Hoxby, "School Choice and School Productivity," Harvard University, February 2001. For entire report, see http://post.economics.harvard.edu/faculty/hoxby/papers/school_choice.pdf.

45. Jay P. Greene, Ph.D., "An Evaluation of the Florida A-Plus Accountability and School Choice Program," Center for Civic Innovation at the Manhattan Institute, February 2001. See also <http://www.edreform.com/press/2001/apluseval.htm>.

46. Center for Education Reform, "Groundbreaking Report Shows Competition From School Choice Sparks Widespread Public School Reform," October 2000.

“Does Competition Among Public Schools Benefit Students and Taxpayers?” Hoxby reports that improvements in performance also decrease the overall demand for private schools. Policies that reduce choice, by comparison, are likely to increase the share of students in private schools while reducing the share of voters who are interested in improving public education.⁴⁷

- **Promotes parental involvement.** In fall 2000, Children First America released a myth-busting report. Based on survey data on parents whose children use vouchers to attend private schools, school choice drains neither money nor talented students away from public schools, but it does improve parental involvement as well as academic performance.⁴⁸ The report was based on responses from questionnaires given to a random sample of families receiving vouchers in the Horizon Scholarship program and on student test scores during the 1999–2000 school year. Demographic data such as family income were also considered.

The evidence continues to mount. In a report released in March 2001, students attending Advantage Schools showed a 9.1 point gain on two national standardized tests: the Woodcock Reading Mastery Tests Revised and the ninth edition of the Stanford Achievement Test.⁴⁹ Advantage Schools is a private Boston-based firm that manages 15 inner-city charter schools in seven states and the District of Columbia.

WINNING IN THE COURT OF PUBLIC OPINION

President Bush has focused public attention on the need to give parents more control of their children’s education. A 2000 nationwide poll conducted by the Center on Policy Attitudes found that approximately half of the individuals surveyed favored the use of vouchers for tuition at private and religious schools.⁵⁰

Remarkably, a recent survey conducted for the National Education Association (NEA) and released in March 2001 reports that a clear majority of Americans support the President’s proposal to allow parents of children in chronically failing schools to use public dollars to send their children to a public, private, or charter school of choice.⁵¹ According to the U.S. House Committee on Education and the Workforce, the study also shows overwhelming public support for annual student testing to ensure accountability for results, “the centerpiece of President Bush’s ‘No Child Left Behind’ plan.” According to Committee Chairman John Boehner (R–OH),⁵²

Americans support giving parents the power to do what they think is best for their children’s education. The President’s plan gives this power as a last resort to the parents of children trapped in chronically failing schools after those schools have been given every opportunity to change. A solid majority of Americans support this approach.

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47. Caroline Hoxby, “Does Competition Among Public Schools Benefit Students and Taxpayers?” *American Economic Review*, December 2000; see also “The Difference That Choice Makes,” *Economics Focus*, *Economist*, January 27, 2001.
48. Robert Aguirre, “The Power to Choose: Horizon Scholarship Program Second Annual Report,” Children First America, Fall 2000.
49. Henry, “Scores Up for Charter Schools.” For entire report, see Advantage Schools Annual Report on School Performance, March 2001, located at <http://www.advantage-schools.com/news/AnnualReport99-00.pdf>
50. Center on Policy Attitudes, “Public Wants Federal Government to Play Active, But Not Punitive Role in Strengthening Public Schools,” October, 2000, see <http://www.policyattitudes.org>.
51. Press Release, “New Poll for NEA Shows Majority of Americans Back President Bush’s Approach to School Choice,” Committee on Education and the Workforce, U.S. House of Representatives, 107th Cong., 1st Sess., March 8, 2001.
52. *Ibid.*

Parents. Polls show strong support for vouchers among parents. In April 2001, a group known as Parents in Charge released the results of a survey indicating that 82 percent of parents want to be in charge of their children's education and 72 percent believe that competition would improve education.⁵³ The recent NEA survey found similar results; 63 percent of those polled favored legislation that would provide parents with tuition vouchers of \$1,500 a year to send their children to any public, private, or charter school.⁵⁴

Finally, the overwhelming response to the scholarships offered by the Children's Scholarship Fund—over 1.25 million low-income parents in over 20,000 communities applied for the 40,000 scholarships—confirms the popularity of choice among the families that need it most. As these findings show, parents are increasingly frustrated with the current system, which is leaving too many children behind.⁵⁵

African-Americans. Potentially powerful and growing support for school choice is found among African-American parents. A national poll conducted in November 2000 by the Joint Center for Political and Economic Studies found that blacks are more likely than whites to think that public schools are getting worse. Of the 57 percent of blacks overall who support vouchers, 75 percent are under the age of 35 and 74 percent have children at home.⁵⁶

Some of the nation's most prominent African-American leaders also support choice: for example, former Atlanta Mayor Andrew Young; Martin Luther King III, the President of the Southern Christian Leadership Conference; and former Colorado NAACP President Willie Breazell, who was asked to leave his post after publicly voicing his support for school choice.⁵⁷

In September 2000, former Superintendent of Milwaukee Schools Howard Fuller, now professor of education and director of the Institute for the Transformation of Learning at Marquette University, announced the formation of the Black Alliance for Educational Options (BAEO) to bring public attention to the importance of choice for children in inner-city poor communities. The theme of the alliance's compelling television advertisement, "school choice is widespread unless you're poor," is resonating with the poor and minority families who are most likely to be shortchanged by public education. Fuller believes that vouchers giving minority parents the ability to take their children out of failing schools will help to close the achievement gap. The BAEO has spent over \$1 million to place ads in the Washington, D.C., market and plans to expand the campaign to other cities.⁵⁸

Educators. Support is growing among educators as well. According to a 1999 poll by Phi Delta Kappa, a professional educators' association, support for vouchers among educators rose from 45 percent in 1994 to 51 percent in 1999.⁵⁹ The

53. Center for Education Reform, Newswire, April 3, 2001. Parents in Charge was established by Ted Forstmann, a founder of the Children's Scholarship Foundation; see <http://www.parentsincharge.org>

54. Greenberg Quinlan Research, Inc., and the Tarrance Group, National Education Association Survey, March 2001. See also Press Release, "New Poll for NEA Shows Majority of Americans Back President Bush's Approach to School Choice," Committee on Education and the Workforce, March 8, 2001, at <http://edworkforce.house.gov/press/press107/neapoll3501.htm>.

55. An example of the increasing frustration came during a presidential primary debate between former Senator Bill Bradley and Vice President Al Gore. Tamala Edwards, a young African-American journalist, asked why the Vice President opposed vouchers when he was sending his own children to private schools. "Is there not a public school in DC good enough for your child?" she asked, to applause. "And, if not, why should the parents here have to keep their kids in public schools because they don't have the financial resources that you do?" E. J. Dionne, "Vouchers Raise Questions For Both Aides," *Detroit News*, March 3, 2000.

56. "Blacks v. Teachers," *Economist*, March 10, 2001. See also "The Black Vote in 2000," at <http://www.jointcenter.org/whatsnew/index.html>

57. Rees, *School Choice, What's Happening in the States*.

58. Scott Greenberger, "Many Blacks Seek Choice of Schools," *The Boston Globe*, February 26, 2001.

survey also found that support among parents of public school students had increased from 51 percent in 1994 to 60 percent in 1999.

New Allies. Choice is also gaining ground among leaders of minority groups and traditionally Democratic constituencies. For example, certain key Democrats who represent areas with large numbers of underachieving schools now support school choice: AFL-CIO member Kenneth L. Johnson, vice-president of the Milwaukee School Board; State Representative Dwight Evans, chairman of the Pennsylvania House Appropriations Committee; Milwaukee Mayor John Norquist; and the Reverend Floyd Flake, former U.S. Representative from New York.⁶⁰

PRIVATE-SECTOR CHOICE

In addition to private schools and private voucher programs, for-profit alternatives to traditional public school education are blossoming. Approximately 100,000 children currently attend elementary and secondary schools that are run by for-profit companies nationwide.⁶¹

Increasing Alternatives in For-Profit Education. Edison Schools, based in New York, is the country's largest for-profit manager of public schools. It serves 57,000 students in 113 schools in 47 cities and 21 states and the District of Columbia. Edison schools, like Advantage Schools, either operate as charter schools or are managed under contract with the local school district.

The private group primarily takes over troubled schools in poor neighborhoods, and many of these schools are now achieving better results than the government-run schools in their districts. In Cali-

fornia, for example, students at the Edison schools showed gains on standardized tests that were twice the state's average on the California Academic Performance Index. As a group, Edison schools averaged a 74-point gain compared with the state public schools' average of 33 points. Moreover, each Edison school ranked close to the top of its district on this measure.⁶²

"Overall, the academic climate of the Edison schools is positive and the classroom culture promotes learning," reports a recent study funded by the NEA and conducted by the Columbia University Teachers College. Moreover, "[m]ost Edison schools are safe, orderly and energized."⁶³ Peter Cooksen of the Columbia University Teachers College observes that the Edison schools are well-thought-out and functional, with a cohesive curriculum and a positive learning environment.⁶⁴

On-line Back-to-Basics Education. Other private entities are attempting to fill niches left open by failing public schools. For example, in December 2000, former U.S. Secretary of Education William Bennett opened K12, a Virginia company that is specializing in on-line education. Bennett describes K12 as "a back to basics approach... combining traditional learning and powerful technology."⁶⁵ K12 will offer a curriculum teaching and testing system, based on tough standards, for students in kindergarten through 12th grade. Students will have access to courses on-line, with some use of ink-on-paper workbooks. The K12 on-line curriculum will include frequent testing to ensure that students are keeping up with their coursework. Potential users include home-schooled children and charter school students in need of supplemental coursework.

59. See Phi Delta Kappa Web site at <http://www.pdkintl.org/kappan/kpol999.htm>.

60. Center for Education Reform Newswire, February 13, 2001.

61. Edison Schools, "Edison Schools in California More Than Double Statewide Academic Growth and Rank Near the Top of their Districts," Press Release, October 6, 2000.

62. *Ibid.*

63. Deborah Simmons, "Edison Leads in Reform," *The Washington Times*, March 23, 2001.

64. Center for Education Reform Newswire, February 28, 2001.

65. Neil Irwin, "E-schooling Firm Set to Open," *The Washington Post*, December 28, 2000.

THE OUTLOOK FOR CHOICE

The outlook for Choice in 2001 is promising. Amendments to strengthen charter school laws are pending in Minnesota, Missouri, Connecticut, Florida, Nevada, Illinois, and Alaska; and in Iowa, for the first time, charter school legislation is moving through the legislature.⁶⁶ In addition:

- In **Alaska**, a bill has been introduced to strengthen charter schools. Among other improvements, H.B. 101 would change the state's charter school law to eliminate its 2005 sunset clause, double the cap to 60 charter schools, double each charter's length to 10 years, eliminate the requirement for geographic distribution of charters, clarify that charter schools are not exempt from competency testing, and provide a one-time start-up grant of \$500 per student.
- Governor John Rowland (R) of **Connecticut**, whose support for school vouchers in the past has churned controversy, is proposing that \$15 million of the state's surplus be used to create a five-year pilot scholarship program. Parents in the state's poorest districts could receive grants of up to \$1,500 a year to send their children to private or parochial schools.⁶⁷ However, since Democrats have stalled public hearings on this initiative,⁶⁸ House Republicans may reintroduce the bill as an amendment.⁶⁹ Two bills to provide vouchers to students attending the state's 100 lowest-performing schools also have been proposed.⁷⁰
- In **Florida**, a corporate income tax credit for private school tuition approved by the House recently was passed by the Senate and sent to Governor Jeb Bush. A bill to give parents who are concerned about overcrowding in their schools the option of transferring their child to another school was approved by the House but has not been considered in the Senate. This bill would give each student in schools where enrollment exceeds 120 percent of capacity a \$3,000 grant toward tuition at a private school. Legislation also heading to the governor would dramatically expand the state's voucher program to allow up to 340,000 children with disabilities who are unable to obtain the services they need at their traditional public school to attend another school of choice. The Senate passed S.B. 1180 by a vote of 33–2 on May 4, 2001, a short time after the House voted 76–39 in favor of the bill. If the governor signs this bill, any parents of a disabled student who are dissatisfied with their child's public schools will be able to obtain a voucher to allow their child to attend a private school.⁷¹
- On May 2, 2001, **Indiana** Governor Frank O'Bannon (D) signed the nation's 38th charter school law. According to the Center for Education Reform, the law is strong because it permits an unlimited number of charter schools to open in the state; allows state universities to sponsor them statewide and the mayor of Indianapolis to charter them; and gives new charters legal autonomy in hiring, district rules, and union contracts.⁷²
- Some children in failing Prince George's County, **Maryland**, public schools may be able to transfer to other county public schools that are performing better under a proposal approved by the Prince George's school board and awaiting state review. Under a new but

66. Center for Education Reform, at <http://www.edreform.com/press/2001/indy.htm> (May 4, 2001).

67. Lisa Chedekel, "Roland to Make Pitch for Vouchers," *The Hartford Courant*, February 3, 2001.

68. Rick Green and Lisa Chedekel, "School Voucher Plan Snubbed," *The Hartford Courant*, March 28, 2001.

69. Phone conversations with Lewis Andrews of the Yankee Institute for Public Policy Studies, April 6, 2001, and the office of Connecticut State Representative Brian Flaherty, April 18, 2001.

70. See National School Board Association Web site at <http://www.nsba.org>.

71. Associated Press, "Legislature creates school vouchers for disabled kids," *The Florida Times-Union*, May 5, 2001.

72. Center for Education Reform, at <http://www.edreform.com/press/2001/indy.htm> (May 5, 2001).

limited initiative, Maryland has begun to notify parents of children in its 141 worst-performing public schools that they may soon be able to transfer to a better public school or charter school of choice.⁷³

- **New York City** Mayor Rudolph Giuliani (R) is promoting a serious voucher program to give poor students access to quality education. The proposed \$12 million pilot program, modeled after the Milwaukee choice program, would be offered in one or two school districts for a three-year period. Students in the targeted districts would be eligible for tuition assistance at a parochial or private school of choice.⁷⁴ The state legislature is also considering an education investment tax credit for private-sector donations to public and private schools or scholarship funding organizations.⁷⁵
- In **Pennsylvania**, a \$15 million corporate income tax credit for businesses that support educational scholarships was passed in the legislature and sent to the governor on May 10, 2001.
- In **Texas**, two bills to create pilot voucher programs for poor-performing students have been introduced.⁷⁶ No action is expected until the next legislative session.

Several states also are considering vouchers and tax credits. Specifically:

- The legislatures of **Nevada, New Hampshire, New Jersey, and Vermont** are considering voucher programs for low-performing and low-income students.⁷⁷
- Tuition tax credit bills have also been introduced in **California, Colorado, Connecticut, Hawaii, Idaho, Missouri, Oklahoma, and South Carolina**.⁷⁸

HOW THE FEDERAL GOVERNMENT CAN HELP

The school choice movement got a boost when Texas Governor George W. Bush, a strong proponent of choice and accountability in education, became President of the United States. In January 2001, President Bush unveiled a comprehensive education reform program to ensure that “no child is left behind.” The central principles of this initiative are flexibility, accountability, and parental choice.

- **More flexibility in spending federal dollars.** Schools, local school districts, and states would gain more freedom in deciding how to administer their federal education dollars. The plan consolidates ESEA categorical federal programs into a smaller number of core initiatives providing flexibility to states and districts to meet achievement and school safety goals.
- **Stronger accountability for results in exchange for flexibility.** States would be held accountable for improving student achievement, based on annual state assessments in reading and math for 3rd through 8th grade students. Such assessments would enable schools to detect and correct problems in a timely fashion.
- **Choice for students in failing or dangerous schools.** There should be real consequences for schools that are dangerous or that do not improve after three years. The parents of disadvantaged students in persistently failing schools should have an option to move them to better public or private schools.
- **Rewarding success and sanctioning failure.** States, districts, and schools that narrow the achievement gap and improve overall student

73. See JoAnna Daemmrich, “State Offers School Choice,” *The Baltimore Sun*, April 25, 2001, at <http://www.sunspot.net/news/local/bal-md.board25apr25.story>.

74. Frankie Edozien, “Mayor’s Budget Bid Includes Push for Vouchers,” *New York Post*, January 24, 2001.

75. See <http://www.nsba.org>.

76. *Ibid.*

77. *Ibid.*

78. *Ibid.*

achievement would receive monetary rewards. States that fail to make progress could lose a portion of their administrative funds.

- **Improving teacher quality.** States and districts would have access to flexible funding that they could dedicate to recruiting and training high-quality teachers. In return, they would be held accountable for ensuring that students in public school are in fact learning.

President Bush also has appointed several well-known and highly respected advocates of school choice to prominent positions within his Administration: Rod Paige, the former Houston schools chief, as Secretary of Education; Bill Hansen, Executive Director of the Education Finance Council who served in the Department of Education from 1981 to 1993, as Deputy Secretary of Education; and Eugene Hickok, former Pennsylvania education secretary, as an undersecretary in the Department of Education.

Moreover, Members of Congress from both political parties are now saying that public school choice is needed to empower parents, promote accountability, and force low-performing public schools to improve. For example, Senator Joseph Lieberman (D-CT), Democratic Party candidate for Vice President last year, has proposed a \$200 million fund to help school districts develop school choice initiatives.⁷⁹ Clearly, policymakers are recognizing how strongly Americans want Congress to reform federal education spending. It is a matter of political will.

CONCLUSION

Choice empowers parents to give their children the very best educational opportunities they can.

The principles of parental empowerment and educational opportunity resonate strongly in the battle of ideas. They are shaking the entrenched and profoundly self-interested education establishment into examining its own effectiveness. As the number of legislative proposals now before Congress and the state legislatures clearly indicates, support for school choice is not only growing, but reaching all-time highs nationwide.

With recent school choice victories in states like Indiana, Florida, Illinois, and Ohio, and with the rising demand for private scholarships offered by organizations like the Children's Scholarship Fund and Children First America, opponents of choice are losing ground in the court of public opinion, as well as their grip on state legislatures, boards of education, parents, and teachers. Numerous studies point out the positive effects of school choice on academic performance and on instruction and teacher training in public schools faced with competitive pressures from charter schools.

Real education reform means giving parents, teachers, and children more options and empowering parents to make the decisions involving their children's education. Bureaucrats may know line items in the budget, but parents and teachers know students and their needs. School choice maximizes the nation's sizeable investment in education to ensure that all children, regardless of their background or where they live, have an opportunity to succeed.

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79. Charles Ornstein, "As Voucher Debate Goes On, Public School Choice Thrives," *Salt Lake Tribune*, February 19, 2001.