



Louisiana Federation  
*for* **Children**

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## Expanding Options for Students and Parents through School Voucher and Scholarship Tax Credit and Rebate Programs

- Students in school choice programs throughout the nation boast academic gains including higher graduation rates.
- Competition created through school choice programs has shown positive improvements in public schools.
- School choice programs throughout the nation have proven to save taxpayer dollars.
- School choice programs throughout the nation yield high parental satisfaction rates.

### Expanding Options for Students and Parents

#### Types of School Choice

Every child deserves a high-quality education. But across Louisiana, hundreds of thousands of children are trapped in failing schools. Too often, it is the lower income children, in particular, who are forced to attend schools that simply don't prepare them to succeed. These children deserve immediate alternatives that should include great traditional public schools, public charter schools, and access to high-quality private schools through vouchers and scholarship tax credit programs. Educational excellence has nothing to do with the label on the front of the school, and parents have a fundamental right to determine the quality school that will best serve their kids.

There are many types of school choice, ranging from public charter schools to home schooling. This report focuses on two:

1. **School Vouchers:** School vouchers allow parents to receive scholarships to send their children to eligible private schools. These state scholarships are usually targeted to students who come from low-income families, have exceptional learning needs, or who currently attend failing public schools. Vouchers are funded with state tax dollars, allowing parents to "vote with their feet" and select the best schools for their children, public or private. Participation for private schools is completely voluntary, and the school alone determines how many voucher students it chooses to accept. There

are 15 active school voucher programs across the country, and research has demonstrated that vouchers can increase student achievement, boost graduation rates, and help public schools improve. They also lead to high parental satisfaction rates.

- Scholarship Tax Credits and Rebates:** Scholarship tax credit and rebate programs create new pools of funding so that children can receive scholarships to attend the private schools of their parents' choice. Corporations or individuals can make private donations to non-profit organizations that, in turn, provide scholarships to eligible children, typically with preference for children from low-income families. In return, the corporations and/or individuals receive a state income tax credit or tax rebate. There are 10 scholarship tax credit programs operating across the country, and research has demonstrated that these programs can improve student achievement and save money for state and local governments.

## Challenges and Opportunities in Louisiana

There is a real need for school choice in Louisiana:

- About 1/3 or 230,000 Louisiana public school students statewide are not performing at grade level<sup>1</sup>
- 71.6% of Louisiana public schools receive C, D, or F grades, or 955 of 1,334 schools<sup>2</sup>
- 50,262 students, from grades 7-12, have dropped out of Louisiana schools in the past four years<sup>3</sup>
- Louisiana is ranked 48th in the U.S. for K-12 Student Achievement by Education Week's 2012 "Quality Counts" Report<sup>4</sup>

Louisiana currently has three publicly-funded voucher programs with a total enrollment of more than 3,000 students. Sixty-four private schools participate in these programs to provide Louisiana children with an opportunity to attend a private school of their choice.

## Student Scholarships for Educational Excellence Program (SSEE)

Enacted by Governor Jindal and the Louisiana Legislature in 2008, the Student Scholarships for Educational Excellence program gives low-income families in Orleans Parish the opportunity to choose a school - public or private - that best fits their child's needs. During the current 2011-2012 school year, 1,832 students in grades K-6 received scholarships and currently are attending 33 participating private schools.

To participate in the scholarship program, students must reside in Orleans Parish and their household income cannot exceed 250 percent of federal poverty guidelines, which was \$55,875 for a family of four in 2011. For the 2011-2012 school year, students must be entering grades K-6 and have attended an "F" rated public school the previous year or be entering kindergarten. The program adds an additional grade level each year.

**All scholarship students must be administered Louisiana's high-stakes tests** - the Louisiana Educational Assessment Program (LEAP) and Integrated Louisiana Education Assessment Program (iLEAP) - and the results must be publicly reported by the state Department of Education. Private schools must be approved by the state to participate, comply with state nondiscrimination and health and safety requirements, and submit to the state an annual independent financial audit conducted by a certified public accountant. Furthermore, private schools in operation less than two years cannot have more than 20 percent of students receiving scholarships. Public schools located in Orleans Parish that wish to participate must be deemed academically acceptable according to the Louisiana School and District Accountability Program.

Scholarships are funded at an amount equal to 90 percent of the per-pupil funding levels provided by the state and local government for public school students (which equaled \$7,617 in the 2011-12 school year) OR the cost of tuition, fees, and state testing - whichever is less. The average scholarship award for the 2011-12 school year is \$4,595, which

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is \$3,868 less than state and local per-pupil funding for Orleans Parish public school students. Total state funding for the program in Fiscal Year 2012 is just under \$9 million.

Four consecutive surveys of parents participating in the Student Scholarships for Educational Excellence (SSEE) Program have demonstrated satisfaction rates of over 90 percent.<sup>5</sup>

## School Choice Pilot Program for Certain Students with Exceptionalities

Enacted in 2010 by Governor Jindal and the Louisiana Legislature, the School Choice Pilot Program for Certain Students with Exceptionalities gives families with special-needs children in the six largest parishes in the state the opportunity to choose a school that best fits their child's needs. During the current 2011-12 school year, 186 students in grades K-8 received scholarships and currently are attending 12 participating private schools.

To participate in the pilot program, students must reside in Caddo, East Baton Rouge, Jefferson, Lafayette, Orleans, or St. Tammany Parishes and require services for autism, mental disability, emotional disturbance, developmental delay, other health impairments and specific learning disabilities, or traumatic brain injury. Students must be eligible to attend public or private school in grades K-8 and have an Individualized Education Program (IEP). (An IEP is a written plan developed for each eligible student that describes how the school district will educate the student. The parent(s) and a team of educators develop the IEP based all the available information about the student.)

The private school must be approved by the state to participate, comply with state nondiscrimination and health and safety requirements, and employ teachers who are certified in special education. Furthermore, schools must have been in operation and providing educational services to students with special needs for at least two years prior to participating in the scholarship pilot program.

Scholarships are funded at 50 percent of the per-pupil funding levels provided by the state for public school students OR the cost of tuition - whichever is less. The average scholarship amount for the 2011-12 school year is \$2,155. Total state funding for the program in Fiscal Year 2012 is \$650,000.

## Nonpublic School Early Childhood Development Program (NSECD)

The NSECD prekindergarten program began in 2001 with legislative appropriation through Louisiana's Temporary Assistance for Needy Families (TANF), a federal block grant designed to foster interest in learning, increase literacy skills, prevent poverty and promote development of responsible behavior. The program's goal is to provide at-risk four-year-old children access to high quality developmentally appropriate prekindergarten classes in a nonpublic school or Class A daycare setting. During the 2010-11 school year, 1,312 students received scholarships to attend 39 participating private providers in 16 parishes.

To participate in the NSECD program, a student must be four years old by September 30 and his/her family's household income cannot exceed 200 percent of federal poverty guidelines.

In order to participate, private providers must ensure classroom teachers are early childhood certified by the Louisiana Department of Education and meet the child-to-adult ratio of 10 to 1. They must also administer a pretest and posttest of the *Developing Skills Checklist*, participate in a longitudinal study, and undergo regular monitoring and evaluations by NSECD staff.

The National Institute for Early Education Research, a nonpartisan organization that gathers data and analyzes early childhood education initiatives, has recognized the NSECD Program as **one of the top three early childhood programs in the country**. For its 2009-2010 review, the NSECD Program scored its second **perfect 10 out of 10**, surpassing both the LA4 and Block Grant program.<sup>6</sup>

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## Models from Across the Country

In early 2011, there were 20 publicly-funded private school choice programs in 12 states and the District of Columbia. As the year progressed, school choice legislation - often with bipartisan support - was introduced, passed, or signed into law across the nation, which resulted in the enactment of seven new programs and the expansion of 10 programs. **Today, there are 27 publicly-funded private school choice programs in 13 states, D.C. and Douglas County, Colorado, with a record enrollment of more than 210,000 children.**

**Academic Achievement:** Extensive research has been conducted on the academic success of students enrolled in school choice programs. **Nine “gold standard” studies conducted by seven research teams in six cities revealed that all or some students eventually showed academic gains—and that those gains were equivalent to an extra month of learning per year.**

- Students in the **Milwaukee Parental Choice Program** - the nation’s longest-running voucher program - performed 9 to 12 percent higher in a statewide math, reading, and science tests than their similarly disadvantaged peers.<sup>7</sup>
- The **D.C. Opportunity Scholarship Program** demonstrated “the largest impact of any education policy program yet evaluated” by the U.S. Department of Education, according to studies released in 2008 and 2009 by the Institute for Education Sciences and Education Next.<sup>8</sup>
- Sixth-grade scholarship students in the **Cleveland Scholarship and Tutoring Program** outperformed public school comparison groups in language, social studies, and science.<sup>9</sup>

**Graduation Rates:** One of the strongest indicators of academic achievement in school choice programs is seen in the higher graduation rates of students in these programs.

- In **Washington, D.C.**, students who utilized opportunity scholarships graduated at a rate of 91 percent, more than 21 percentage points higher than their public school counterparts.<sup>10</sup>
- Similarly, students in the Milwaukee Parental Choice Program graduated at a rate of 18 percentage points higher than students in **Milwaukee Public Schools**.<sup>11</sup>

**Public School Benefits and Competition:** Studies show that school choice programs create competition and as a result, can also improve the performance of public schools.

- Twenty-eight percent of **D.C. Public Schools** adopted more innovative practices following the creation of the D.C. Opportunity Scholarship Program.<sup>12</sup>
- In **Florida**, the passage of the Florida Tax Credit Scholarship in 2001 coincided with gains in standardized test scores in the public schools most likely to lose students to private schools.<sup>13</sup>

**Taxpayer Savings:** In voucher programs, education dollars “follow the child,” allowing parents to use a portion of the state funds allocated for their child’s education to pay for an education at an approved private school. Well-designed school choice programs have proven to save taxpayer dollars.

- A legislatively required fiscal analysis of the **Florida Corporate Tax Credit Scholarship Program** estimated that the program saved \$36.2 million for fiscal year 2008-09.<sup>14</sup>
- An ongoing state-sponsored fiscal analysis of the **Milwaukee Parental Choice Program (MPCP)** - part of the School Choice Demonstration Project’s five-year evaluation of the voucher program - has found that MPCP is producing growing net statewide taxpayer savings. In FY10, the estimated savings was \$46.7 million, and the estimated net fiscal benefit in FY11 was \$51.9 million.<sup>15</sup>

**Parental Satisfaction:** School choice programs have very high parental satisfaction rates. According to Dr. Patrick Wolf of the School Choice Demonstration Project at the University of Arkansas, parental satisfaction in voucher programs is high as a result of academics, curriculum, safety, parent-teacher relations, and religion.

- In **Washington, D.C.**, 80 percent of parents whose children used a voucher rated their child’s school with an A or B after one year. Parents also became more involved in their children’s education and became savvy educational consumers.<sup>16</sup>
- In **Florida**, 95.4 percent of parents participating in the Florida Tax Credit Scholarship were satisfied with their children’s schools, rating the schools as “excellent” or “good.”<sup>17</sup>

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## Solutions: Moving Forward

While school choice programs are relatively new, they are sweeping the country because of parental demand for change amidst the dismal performance in many traditional public schools. Parents in Baton Rouge and Shreveport – or Morgan City and Minden – should no longer be without input or control over the future of their children. Scholarship programs currently available to some families in Louisiana must be scaled up and accessible to parents across the state who are ready and willing to make decisions that will improve their child’s academic achievement. The 2012 education reform plan aims to empower

parents by providing more choice in a variety of ways, including:

### Statewide Expansion of Vouchers

Expand the current scholarship program statewide. Eligibility for participation will be given to families with children currently in a C, D, or F school and a total income that does not exceed 250 percent of the federal poverty level.

### Scholarship Tax Rebate Program

Create a tax rebate program that would offer rebates for donations made to non-profit organizations that provide scholarships to children from low-income families to attend private schools.

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## Debunking the Myths

### **Myth: School choice drains funds from public schools.**

**Reality:** School districts retain a portion of the funding for each child who leaves the public system for a school choice program. In effect, districts still retain a portion of a child's per-pupil funding, even though they no longer are required to educate the student. Furthermore, studies have consistently demonstrated that public schools benefit from the existence of school voucher and scholarship tax credit programs.<sup>18</sup> For example, despite the absence of students from Orleans Parish public schools as a result of the SSEE voucher program, Orleans Parish retained \$7.5 million that it would have traditionally spent if students who received scholarships were educated in the public school system in Orleans Parish.<sup>19</sup>

### **Myth: Private school choice violates the separation between church and state.**

**Reality:** The U.S. Supreme Court has ruled that appropriately designed private school choice programs are fully constitutional.<sup>20</sup>

### **Myth: Students don't learn more because of school choice.**

**Reality:** As demonstrated above, there is credible research on school choice programs in places like Milwaukee, Washington, D.C., Florida, and Cleveland. In every case, students who participate in these programs produce higher academic achievement than their peers in public schools. Parental satisfaction is extremely high<sup>21</sup>, and students are thriving in their new schools.

### **Myth: There is no accountability in school choice programs.**

**Reality:** The vast majority of private schools have rigorous evaluation criteria, and most school choice programs have strong accountability provisions, such as testing and reporting. Louisiana's Student Scholarships for Educational Excellence program has administrative accountability, academic accountability and financial accountability. All students in Louisiana's scholarship program must take the annual high-stakes test, just as their peers do in public schools and those scores are reported publicly by the Louisiana Department of Education. Private schools must be approved by the state to participate, comply with state nondiscrimination and health and safety requirements, and submit to the state an annual independent financial audit conducted by a certified public accountant. Finally, parents - not the government - are best equipped to know how and where their children will best succeed.

### **Myth: School choice means abandoning public schools.**

**Reality:** Public schools are an integral part of American society and, in many cases, they offer a quality education. In reality, school choice is not a zero-sum game that forces a choice between public and private or religious schools. The school choice movement seeks access to better schools for all children, whether these are traditional public schools, public charter schools, private schools, virtual schools, or home schools.

### **Myth: School choice hurts (or is opposed by) teachers.**

**Reality:** No matter where students are being educated, there will always be a need for teachers. And more choices in schools also mean more choices for teachers. In fact, research demonstrates that a plurality of teachers support the enactment of well-designed private school choice programs.<sup>22</sup>

### **Myth: School choice allows the best students to abandon the public schools.**

**Reality:** Students who are doing poorly in public schools are most likely to take advantage of school choice programs. Generally, students who are succeeding in school would have no need, or desire, to switch schools. Studies also demonstrate that parents - regardless of their income - make well-informed, appropriate choices when provided with school options.

### **Myth: Private school capacity in Louisiana is very limited; therefore, only a small amount of students would actually benefit from Governor Jindal's voucher proposal.**

**Reality:** It will be difficult to determine the true capacity available for eligible students to attend private and parochial schools until the voucher program proposal is passed and existing schools determine whether or not they will participate. It should be noted that the national record for first-year enrollment in a voucher program is in Indiana, where 4,000 students took advantage of the scholarship of a total public school population of more than 1,000,000.<sup>23</sup> Regardless of the final determination of capacity, not only will a statewide program help the individual students who receive a scholarship to attend a private school, but it will also benefit those students still attending public schools, as it will create competition and spur innovation, thus improving education for all students in Louisiana.