

School Choice REPORT

March 2008

Scholarship Tax Credits Stall

School Choice Bill Passes Senate, Killed in House

Legislation to significantly expand K-12 school scholarships passed the Indiana Senate in January, but the program ultimately died in the Indiana House of Representatives in the final weeks of the legislative session. House Education Committee Chairman Greg Porter (D-Indpls.) refused to give the proposal a hearing in his committee, thereby killing the scholarship program this year.

Senate Bill 248, authored by Senator Jeff Drozda (R-Westfield), would have increased opportunities for lower-income families to receive scholarships to attend private schools or to pay transfer tuition to attend another public school of the parents' choice.

Thousands of Indiana families want and need new educational choices for their children. Unfortunately, most lower-income families are unable to take advantage of successful private schools in their area because they cannot afford to pay the tuition. If they are able to find another public school in their area that is succeeding, the high costs of "transfer tuition" often put this option out-of-reach.

A few privately-funded scholarship programs exist, but they serve a relatively small number of families in limited areas of the state based on how much can be raised from individual donations.

Increasing the number of scholarship opportunities and providing significantly more private funding are key strategies to address this problem. The Indiana School Scholarship Tax Credit was designed

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Private School Parents Getting Involved

*Indianapolis school launches effort to
promote school choice issues*

Parents at the Christ the King School (CKS), a private Catholic School in Indianapolis, are organizing to encourage state legislators to support school choice.

In December, the parent-administered CKS School Commission launched an initiative to inform, organize and involve parents on these issues. With the support of school leaders, the Archdiocese of Indianapolis, and the Indiana Catholic Conference, parents have organized under the banner "CKS Families 4 Choice" and are providing parents with issue information and are building a network of parents.

"School choice has long been advocated by the Catholic Church as a means of protecting parents' rights in educating their children," explains CKS Families 4 Choice parent leader Ted Kolbus. "School choice strengthens our families and makes a quality education available to more families in our community."

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News Briefs

President Bush Proposes New Pell Grants for K-12

As part of his State of the Union Address and 2009 budget, President Bush has proposed a new \$300 million "Pell Grants for Kids" scholarship program to help lower-income children access quality education options.

Like the federal Pell Grant program for college education costs, this new program would offer scholarships to low-income children in under-performing K-12 schools. These scholarships would help with the costs of attending an out-of-district public school or nearby private school.

State Private School Group Has New Executive Director

The Indiana Non-Public Education Association has named John Elcesser as its new Executive Director. Mr. Elcesser most recently served as Superintendent of Schools for the Diocese of Richmond, Virginia. Prior to that, he served for 16 years in Diocesan administration in Wheeling-Charleston, West Virginia, including six years as Superintendent.

Charter School Leaders Gather for Conference

More than 200 charter school operators, teachers, service providers, and supporters from across the state gathered for the annual Indiana Charter Schools Conference, held in Indianapolis February 21-22.

The eighth annual event was presented by the Indiana Public Charter Schools Association and produced by the GEO Foundation's Indiana Charter School Resource Center. The event featured a host of workshops, planning sessions, and networking.

Featured speakers included Indianapolis Mayor Greg Ballard, Center for Education Reform President Jeanne Allen, and Joe Williams from Democrats for Education Reform.

New Charter Schools OK'd in Indianapolis & Lafayette

Indianapolis parents will have a new charter school option, as the City-County Council has approved The Indianapolis Project School. It will open this fall to serve kindergarten through the second grade, but plans to expand to the eighth grade.

In Lafayette, the Beacon School has been unanimously approved by the Lafayette School Board to serve at-risk high school students.

Parents Organizing

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The CKS project is consistent with Church positions, such as the U.S. Conference of Catholic Bishops statement: "As the primary educators of their children, parents have the right to choose the school best suited for them. The entire Catholic community should be encouraged to advocate for parental school choice and personal and corporate tax credits, which will help parents to fulfill their responsibility in educating their children."

Dramatic increases in property taxes have also raised interest among private school parents. The bulk of property taxes funding local public schools and the state average per pupil spending now exceeding \$10,000 a year. Parents are frustrated to receive no tax credit or other consideration for what they spend on private education, as they also pay for public schools.

For more information about the CKS program, please send an email to CKS4choice@hotmail.com. If you are interested in organizing a similar program in your area, contact School Choice Indiana at 317-951-4733

Tax Credit Proposal

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with these needs in mind. It would have provided important incentives to encourage private donations to scholarship programs.

Modeled on successful programs in other states, up to 75% of donations could have been claimed as tax credits and would have been available to corporations and individuals who made donations to qualifying, non-profit school scholarship programs.

As proven in other states, this would have helped to raise millions of dollars in new donations to scholarship programs to help thousands of families attend the public or private school of their choice.

While the tax credit program ultimately failed to earn passage this legislative session, supporters are very encouraged about the significant progress made in both the program design and growing support in the General Assembly.



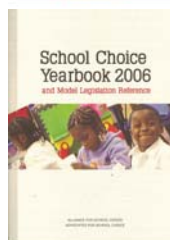
Get the facts on school choice

Looking for more information about school choice issues, programs operating around the country, statistics, and more?

The informative *ABC's of School Choice* booklet, produced by the Friedman Foundation for Educational Choice in Indianapolis, is an easy-to-use reference guide, including summaries of school choice programs from around the country. A free copy of the updated 2006-07 edition, is available by calling (317) 681-0745 or download a copy from www.schoolchoiceindiana.org.



The Alliance for School Choice offers its comprehensive *School Choice Yearbook and Model Legislation* publication, providing in-depth information on issues and programs from around the country. A free copy can be downloaded on-line from www.allianceforschoolchoice.org.



Need more information? Want to share your views with us?
We'd like to hear from you.

We'd like to know if you have any questions, need assistance, and/or what you think about education issues. Input from concerned citizens like you really makes a difference.

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frequently asked
questions

Rising Pessimism Demands More Choices

Low achievement scores are more than mere statistics to parents and taxpayers – they are a frustrating reality.

In January, *Education Week* released their annual “Quality Counts” report on the nation’s schools. Indiana scored a disappointing C- in K-12 achievement. Arguably, the most important finding was the massive 22-point achievement gap in fourth-grade reading and eighth-grade math for lower-income and minority students.

The day following the *Education Week* report’s release, the Center for Evaluation and Education Policy (CEEP) at Indiana University released its annual public opinion survey on Hoosier attitudes on education issues and school performance. The report found increasing numbers of Hoosiers are dissatisfied with the quality of schools.

Rising pessimism by Hoosiers about academic performance in our schools really shouldn’t be a surprise. Parents and taxpayers are becoming increasingly discontent with a broken education system – one that perpetually demands greater financial support without producing an improving return on investment. Far too many students are leaving schools not prepared to meet the demands of college or higher-paying jobs. Further, our current system gives parents little power to act until it is too late for their children.

Unfortunately, the CEEP study took only a passing glance at school choice. However, a 2007 statewide public opinion survey that a staggering 85% of Indiana residents favor giving parents the ability to choose the best school for their children, whether public or private.

Seventy-two percent of Indiana parents support allowing public funding to follow a child if a parent decides to move their child from a public to a private school. Among lower-income and minority families, for whom the achievement gap is a real crisis in their schools, support exceeds 80 percent.

At the end of the day, all of the efforts and resources aimed at education should be about providing the best possible education for our children. Access to quality schools – whether in a public or private setting – and empowering parents with new educational choices should be the priority.

At the end of the day, providing a quality education - whether public or private - should be the priority.



www.schoolchoiceindiana.org

School Choice Indiana is a registered 501(c)(3) public charity. Donations are deductible to the extent allowed by law.

What is “school choice”?

Essentially, school choice refers to various education programs that allow parents to choose the public or private school where their child will attend.

Parents receive either a tax credit or scholarship representing part or all of the per-student expenditure made in local government schools. Parents could use these funds to select a public or private school of their choice instead of the government-assigned school.

What is a “voucher”?

A “voucher” is an often-used term to describe a school choice program that allows parents to use part or all of the funds to be spent in the public schools to pay to transfer their child to another public school or to pay private school tuition. Voucher programs are currently operating in six states and the District of Columbia, serving an estimated 55,000 students with scholarships averaging more than \$6,100.

What about the kids who don’t take advantage of choices?

Research shows that in communities with school choice programs the competition created actually drives all schools - public and private - to improve.

Is school choice constitutional?

Yes. In 2002, the U.S. Supreme Court upheld the constitutionality of the landmark Cleveland voucher program. When an individual uses public funds to make a private choice - in this case when a parent uses a voucher to make an individual decision to send his or her child to a private school (including religious schools) - it is constitutional.

What about charter schools?

Charter schools are “public schools of choice” in that they are a unique public school model where parents choose to enroll them, instead of the traditional public school they are assigned to.

The School Choice Report is published periodically by School Choice Indiana as a resource on education issues for interested parents, policy makers and the general public. Articles are accepted for consideration for publication.



Indiana Property Taxes and Schools

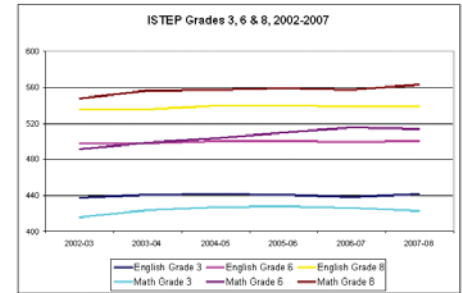
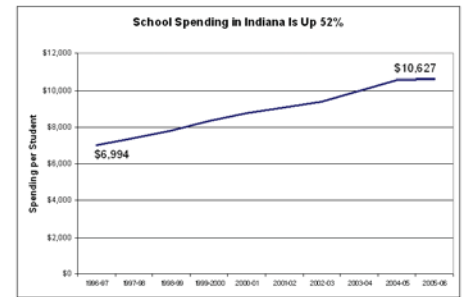
Report finds school spending increases haven't raised academic performance

A new state report has raised serious questions about Indiana's system for funding public schools and outcomes.

Prepared by the Friedman Foundation for Educational Choice, in alliance with School Choice Indiana, *Property Taxes and Public Schools: Where's the Return on Investment* details how dramatic increases in taxpayer support for Indiana schools in the last decade has not resulted in significant improvements in student test scores.

Among the report's findings:

- Total public school spending in Indiana has increased 52% in the past decade. Even adjusted for increased student enrollments and inflation, the increased spending was 22.5%.
- Total property tax revenues going to schools increased 50% in the same decade from \$3 billion in 1996-97 to \$4.5 billion this year school year.
- Student achievement as measured by the state's ISTEP+ tests has improved only slightly in the last five years.
- High school graduation rates have only increased one percentage point - from 70 to 71 percent - in the last five years.



The report raises serious questions not only about the return on investment Hoosiers have received from dramatic increases in K-12 school spending fueled by property tax increases, but also the methods of funding schools.

“Using property taxes to fund education creates all kinds of problems,” explained Robert C. Enlow, executive director of the Friedman Foundation. “Property taxes aren't student-centered; they don't track enrollment levels or student needs.”

Additional information available on-line:
www.friedmanfoundation.org

School Choice Facts
 Today, approximately 150,000 children are benefiting from 16 school choice programs in nine states and the District of Columbia.

Over the last five years, the number of students participating in school choice programs has increased 84%. The number of school choice programs around the country has doubled in this time.

Voucher programs are currently operating in six states and the District of Columbia, serving an estimated 56,000 disadvantaged students. Scholarships average over \$6,100.

Scholarship tax credit programs are operating in five states, serving an estimated 92,500 lower-income families with average scholarships of about \$1,600.

Under the federal *No Child Left Behind* program, it is estimated that more than 10,000 schools have failed to meet state reading and math standards for at least two years and more than 2,300 have failed for at least five years in a row.

Source: *School Choice Empowers Parents Fact Sheet*, Alliance for School Choice.



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