



## School Choice: Why, What, and How

### THE PROBLEM WITH KEEPING THE STATUS QUO

- **Spending More Money.** Pennsylvania spends more per student than 39 other states. At more than **\$13,000 per student**—\$2,000 higher than the national average—Pennsylvania taxpayers spend **\$26 billion** per year on public schools, an inflation-adjusted increase of 133 percent per student since 1980.
- **Fewer Students, More Adults.** Although Pennsylvania's student enrollment has *declined* by 26,960 since 2000, the public schools have *added* 32,937 more employees.
- **Stagnant Performance.** Despite dramatic increases in spending and adding more personnel to “help students,” Pennsylvania's academic performance on the National Assessment of Education Progress (NAEP) exam has remained relatively unchanged for years. Only **40 percent** of Pennsylvania 8<sup>th</sup> graders score at or above proficiency on the NAEP reading and mathematics exams. Pennsylvania ranks among the worst performing states in SAT college entrance exam scores.
- **Parents Want School Choice.** Since the late 1990s, Pennsylvania lawmakers have created charter schools, cyber schools and private school scholarships through the Educational Improvement Tax Credit program. Yet, the supply of school choice options is not meeting parental demand as there are long waiting lists for these limited options. For example, the Children's Scholarship Fund Philadelphia had 95,000 applications for 7,700 scholarships awarded over the last 12 years.
- **School Choice Works.** Nearly *every empirically-based study* shows that school choice programs increases academic achievement for students and improves public schools through competition. *No study has ever shown harmful effects* to either scholarship recipients or public schools.

### WHY SCHOOL CHOICE?

- **Rules, Resources, or Incentives.** All reforms designed to improve education fall into these three categories.
  - *Rule-based reforms* include such things as extending school days and the school year, changing teacher certification and school accreditation requirements, imposing national and state testing, enacting stricter dress codes, and the like.
  - *Resource-based reforms* include measures like increased funding, new textbooks, wiring schools for Internet access, renovating or updating school facilities, reducing class sizes (more teachers per student), and other measures that require more money.
  - *Incentive-based reforms* address the systemic problems of the education monopoly by giving the consumers (parents) more choices and forcing providers (schools) to compete.
- **Fund the Child, not the System.** By funding children, instead of systems, all schools are forced to treat parents as customers to be served rather than captive audiences. This new dynamic compels all schools to either improve or risk going out of business.
  - Giving more parents the ability to choose their child's school will provide the critical incentives in the system that will spur the innovation, continuous quality improvements, and economic efficiencies currently missing in the public school system.

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## **SCHOOL CHOICE OPTIONS IN PENNSYLVANIA**

- **Public Charter Schools.** Charter schools are tuition-free, independent public schools that are given greater educational and operational freedom in exchange for fewer tax dollars.
    - Charter schools are authorized through local school districts and are held accountable through a contract including the school's academic goals, mission and accountability measures. Charters can be revoked by the school district for breaches of the contract.
    - Charter schools receive, on average, 80 percent of what school districts spend per student.
    - Nationally, charters serve primarily nonwhite students (> 60 percent) and 48 percent are from low-income families.
    - Pennsylvania's charter school law was passed in 1997; today there are 144 schools serving over 61,000 students.
  - **Public Cyber Schools.** Cyber schools are statewide charter schools authorized by the Department of Education that provide an online individualized curriculum that students can access from anywhere in Pennsylvania.
    - Cyber schools are often utilized by students who require greater flexibility in their learning.
    - Cyber schools do not charge tuition, but receive funding from the student's assigned school district.
    - Cyber schools first opened in 2001; in 2009, there were 11 schools serving 24,000 students.
  - **Homeschooling.** Homeschooling families choose to educate their children at home without taxpayer assistance.
    - Pennsylvania requires curriculum approval and regular evaluation of homeschooled students by their assigned public school district.
    - Pennsylvania is one of only eight "high regulation" states in the nation, according to the Home School Legal Defense Association.
    - More than 22,000 children in Pennsylvania were homeschooled in 2007, up from 19,000 in 1998.
  - **Educational Improvement Tax Credit Scholarships.** EITC scholarships help parents pay tuition at their school of choice with private money from the taxable profits of Pennsylvania corporations.
    - Pennsylvania's Educational Improvement Tax Credit (EITC) produces scholarships for children from the voluntary contributions of Pennsylvania companies. Companies receive a 75 to 90 percent tax credit for their donations to nonprofit scholarship organizations.
    - Scholarships are available to families with annual household incomes up to \$50,000 + \$10,000 for each child.
    - The average scholarship amount is \$1,100, and the average family income of those receiving a scholarship is \$29,000.
    - The EITC law passed in 2001; over 38,000 students received EITC scholarships last year.
    - State Sens. Jeff Piccola and Tony Williams have introduced Senate Bill 1, which would increase eligibility by \$10,000 per family + \$2,000 per child, and increase the scholarship portion to \$75 million.
  - **Vouchers.** Vouchers provide some taxpayer money to help parents pay public or private school tuition.
    - Vouchers usually provide substantially fewer tax dollars than the amount spent per student in the public schools.
    - Vouchers can be universal (available to all parents) or limited (available to low-income parents or families in low-performing school districts).
    - State Senators Jeff Piccola and Tony Williams have introduced Senate Bill 1, which would provide vouchers, or scholarships, to low-income students in failing public schools.
  - **Public School Choice.** Open enrollment allows parents to choose the public school their child attends, including a neighboring public school district.
    - Districts can choose not to participate, but they cannot take or exclude additional students based on academic or athletic ability.
    - State Rep. Jim Christiana has introduced HB 240 to permit open enrollment, or the ability to apply to attend any public school, as 36 states already allow.
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## THE BENEFITS OF SCHOOL CHOICE

- **Save Taxpayer Money.** Allowing students to move from high-cost public schools to lower-cost schools of choice saves taxpayer money.
    - Charter, cyber, private, religious and home schools are delivering quality education for a fraction of the cost of traditional public schools.
    - Funding for school choice should come from the **\$26 billion** taxpayers currently spend on public education. As schools-of-choice cost a fraction of the cost of district spending, this frees up tax dollars at the state and local level for uses including property tax relief.
    - Charter and cyber schools receive only *three-fourths* of what district schools receive, and private schools often spend half as much per student.
    - The EITC saved taxpayers from spending an additional **\$500 million** last year, as students left high-cost district schools. The average EITC Scholarship is \$1,100, compared with the average school district spending of over \$13,000 per student.
    - If students currently enrolled in charter schools, private schools and homeschooling returned to district schools, it would cost taxpayers an additional **\$3 billion to \$4 billion per year**.
  - **Provide Better Education.** Nine of the 10 “gold standard” evaluations of voucher programs reported statistically significant ***gains in achievement*** for all or some voucher recipients. Students who remain in public schools also benefit from school choice. According to the Center for Education Reform:
    - Students in the Washington, D.C. Opportunity Scholarship Program posted graduation rates that were 18 percent above their public school peers. Additionally, students gained 3.1 months of additional learning in reading.
    - Students who participated in the Milwaukee Parental Choice Program for four years demonstrated significantly higher learning gains in math (11 percentage points) and reading (six percentage points) than their peers in conventional public schools. In addition, they graduated at a rate that was 18 percent higher than students in conventional public schools.
    - Students who participated in the Cleveland Scholarship and Tutoring Program demonstrated a seven percentage point increase in reading scores and a 15 percentage point increase in math scores over their peers in conventional public schools.
    - Low-income students participating in a Florida corporate voucher program are keeping pace with—and in many cases outpacing—all students nationwide (not just low-income children), despite the fact that the scholarships are a third of the cost of the per pupil expenditures in conventional schools.
  - **Improve Public Schools.** When parents can choose, public schools are forced to compete. This competition is improving those affected public schools.
    - In 18 out of 19 academically rigorous studies, vouchers had a **positive impact on public school districts**. There has *never been a single study* demonstrating that scholarships have a negative impact on district school performance or their ability to raise funds.
    - In Milwaukee schools facing the most competition—with two-thirds or more students eligible for vouchers—fourth-grade math test scores achieved an annual gain of 6.3 National Percentile Rank (NPR) points over four years. In contrast, the schools facing no competition saw an annual gain of only 3.5 points.
    - Seven empirical studies on voucher programs in Milwaukee, Cleveland and Washington, D.C., find that participating private schools are much ***less segregated*** than school districts.
  - **Increase Accountability.** Competition ensures that all schools are ultimately accountable to those who matter most—parents and students. Parents who have choices in education can “vote with their feet” by sending their children to another, better school when their current one is not serving their needs. Private schools are also subject to many of the same regulations as are public schools and are routinely held to the same or higher standards of performance than are the public schools.
    - **Public schools lack *real* accountability.** Many people, particularly policymakers, confuse rules and regulations with accountability. While it is true that public schools must adhere to many laws, this fact has failed to make schools answerable to the public. As long as children are unable to escape a school
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that is failing to meet their needs, real accountability will never exist in the public school system. Giving parents choices in how and where their children are educated creates a level of accountability that no law will ever generate. It is this fundamental component that prevents public schools from being truly accountable to taxpayers, parents and children.

- **Schools that answer to parents, not politicians, are most accountable.** In general, parents have their children's best interests in mind more so than does the government or even a caring teacher. Under the current system, parents lack control and influence over the education of their children. With choice, parents have the opportunity to remove their children from a poorly performing or otherwise unsatisfactory school and to place them in other schools. Schools that fail to respond to parental concerns will constantly face the prospect of losing students to other schools that do.
- **Private schools already comply with essential government regulations.** There is no basis in educational experience or research to suggest that regulation creates better schools; even so, private schools already provide essential fire and safety protection, observe compulsory attendance requirements, and cover core mandated subjects such as history, English, math and science.

- **More Choices for Teachers.** Today, if a teacher believes he or she is underpaid, overburdened by red tape, not respected as a professional, or otherwise treated poorly by administrators, the only real option is to leave town and move to another school district. When parents are allowed to choose, schools not only will have to compete for students, they will have to compete for teachers, too. As a result, there will be increased pressure on school administrators to treat teachers well or risk losing them to other schools.
  - **Forced unionism and union bosses lose.** Labor unions vehemently oppose school choice out of their financial self-interest. They will claim to oppose choice "for the children," but the economic reality is that unions stand to lose millions of dollars of compulsory dues income as school choice grows. Why? The overwhelming majority of teachers in Pennsylvania are forced to pay hundreds of dollars in union dues every year as a condition of employment. However, most schools-of-choice are not unionized. Therefore, if enrollment increases at schools in which unions have been unable to gain a foothold, more teaching jobs in union-free schools will be available where teachers are not forced to give hundreds of dollars every year to a union so they can teach children.

## **CONSTITUTIONALITY OF CHOICE**

- **Federal.** The U.S. Supreme Court upheld the constitutionality of the Cleveland school voucher program in *Zelman v. Simmons-Harris* (2002).
- **State.** Pennsylvania case law permits the transfer of funds to parents for the purposes of exercising school choice. In other words, because scholarships are given to parents who then make school choices, this money is not being given directly to private schools.
  - The Pennsylvania State Constitution states, "No money raised for the support of the public schools of the Commonwealth shall be appropriated to or used for the support of any sectarian school." General Fund revenue does not meet this definition as it is not raised for the purposes of funding public education. School district property taxes are raised for this purpose, and it is why Senate Bill 1 involves only state funding for private schools, and not local tax revenue.
  - Pennsylvania's General Fund already includes line items directly funding private school students.

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