



TESTIMONY REGARDING SCHOOL CHOICE  
POLICY AND RESEARCH IN THE UNITED STATES

Chairman Mortimer and Members of the Education Committee:

My name is Michael Chartier and I am a State Programs Director for the Friedman Foundation for Educational Choice, a non-profit organization dedicated to realizing Nobel Laureate economist Milton Friedman's, and his wife, economist Rose D. Friedman's, vision of school choice for all children. I am here to provide an overview of school choice's story, history, and track record.

So, you might ask, what is school choice? In its most simple form, school choice is a child's public education money following him or her to the school of their parents' choosing. There are many great public schools and teachers out there, working day in and day out doing their very best to educate children. But sometimes, these settings, for one reason or another, are not a good fit for every individual child. We seek to give these children another option that might work better for that child. And there are multiple ways to carry out this goal.

First, there are charter schools. These schools are public schools that are "chartered" to operate outside the normal district school rules and regulations. These schools are given the freedom to do such things as: come up with their own curriculum, hire and fire teachers, specialize in specific areas such as STEM or the arts, or to implement next generation learning models, such as Carpe Diem, Rocketship, or KIPP. The idea of the public charter school is to trade oversight and regulation with increased accountability. Charter schools want to figure out the best ways to educate their children, free from outside control, but then are held accountable to the outcomes of their children. These schools can be chartered by different groups and organizations. Most schools are chartered by their local school district, others are chartered by a state level charter school board, some by colleges and universities, and lastly, others by mayors directly (such as we have in my home state of Indiana). I think it is important to emphasize that charter schools are public schools and therefore are open to all children, do not charge tuition, and do not have special entrance requirements.

Next, are what are known as school vouchers. These vouchers are a particular sum of money, determined by the legislature, which is given to a student in order to pay tuition at a non-public school. This is a pretty simple transaction generally. Let me give you an example on how this works in Indiana. A qualified parent (determined by the level of parental income, in this case 150% of FRPL (\$65,000)) notifies the department of education that he or she would like to utilize a school voucher to send their child to a non-public school after his or her acceptance. The state would then send the parent a check, predetermined by legislation (a voucher at the K-8 level is \$4,800 and at the 9-12 level is 90% of what the state would have spent on that child's education). The parent would then sign the check directly over to the private school in order to

help cover the cost of tuition. This way the money could only be spent on a child's tuition, but the parent would make the determination on which school is best of their child.

Perhaps the simplest form of school choice legislation is a tax credit or deduction on private school educational expenses. Parents are allowed to claim either a credit, which lowers the amount of tax paid, or a deduction, which lowers taxable income, for educational expenses related to private school tuition. While this is beneficial in helping to offset the cost of paying twice for education, once in property taxes and once in private school tuition. It really only effects those parents who already have the means of sending their children to private school; it does little to nothing to those families who do not have the means to pay for a private education. Additionally, these programs are often extremely meager when it comes to actual benefit for parents, case in point a maximum credit in Illinois of only \$250. Programs such as these offer little in the way of purchasing power for parents.

Then, we have Tax Credit Scholarships as another form of school choice. Under these systems, a 501c3 non-profit is set up and authorized by the state government to receive contributions from businesses, individuals, or both. These Scholarship Granting Organizations (or SGOs) then give the donated money out in the form of scholarships to qualified children. Depending on the state, these children are determined by having an IEP/504 plan, living in a failing school district boundary, or parental income. The legislature can create a maximum or minimum amount for the scholarship, or it can leave that determination of the SGO. After that, the individual or company that donated the money receives a tax credit on their state income tax. This credit ranges anywhere from 50% in Indiana to 100% in Florida. From our research however, the most robust programs have credits starting around 70% and above.

Lastly, and perhaps my favorite school choice program is known as an Education Savings Account, or an ESA. This program is similar to a Health Savings Account. Under these types of programs, which currently there are only two, one in Arizona and the other in Florida. The state deposits a predetermined amount of money into a special savings account the parents have access to through a debit card. From there a parent is able to truly utilize choice. He or she can pay for private school tuition, curriculum, textbooks, tutoring, testing such as a state achievement test or the SAT or ACT, test preparation services, or educational support therapy. There is a classic example of a child with cerebral palsy in Arizona utilizing therapeutic horseback riding with the help of his ESA. These types of programs truly put the power, at the most basic level, in the hands of the parent.

These ESA programs are regulated the same way as Electronic Benefit Cards are, in the sense that only approved merchants and items are allowed for payment by the debit cards. So an ESA using parent couldn't go to a casino and withdraw money. However, what is unique about this program is that any money left over after the child has finished K-12 can be utilized for higher education expenses at an in-state university, community college, technical college, or vocational technical college. This incentivizes good stewardship of dollars during K-12 to help get a head start on higher educational expenses, if the parent deems that a prudent investment.

Now, a bit about the history of school choice.

As you may know, Vermont was the first state in our country to adopt private school choice when it enacted the town tuitioning model in 1869. That program was closely followed by a town tuitioning program in Maine in 1873. However in the intervening years, very little has happened regarding private school choice.



Advancing Milton & Rose D. Friedman's vision of school choice for all children.

---

One American Square • Suite 2420 • Box 82078 • Indianapolis, Indiana 46282  
Voice: 317-681-0745 • Fax: 317-681-0945 • [www.EdChoice.org](http://www.EdChoice.org)



This changed however with Wisconsin's Milwaukee Parental Choice Program in 1990. Over the 24 years of that program's existence, participants have demonstrated the positive effects that school choice can have on academic achievement and attainment. In the most recently published study on the Milwaukee program, researchers found that choice students graduated high school, enrolled and stayed in college at rates that were four to seven percent higher than their public school peers. In other words, for every 1,000 high school students using a voucher, at least *40 more students* graduate high school and go on to college than would if the program did not exist.

Indeed, other empirical research also shows that school choice programs benefit participants academically. Of the 12 random-assignment studies – considered the “gold standard” of social science research – on school choice programs, 11 showed that *at least some or all* participants make significant academic gains, and one showed no visible effects. No studies have ever shown negative effects on academic outcomes. I repeat: No empirical study has ever found vouchers harm student performance – not one.

For example, in 2010, the final report evaluating the D.C. Opportunity Scholarship Program – a voucher program approved with bipartisan support by the U.S. Congress – showed that voucher students graduated high school at a 20 percent higher rate than their public school peers. Voucher participants also showed modest academic gains – but gains nonetheless – in reading, although no significant effects were visible for math.

But school choice is not a policy just for struggling urban school systems like Milwaukee and Washington, D.C. In 2011, the Douglas County, Colorado, school board – which manages some of the best performing *public* schools in the state – chose to enact a 500-student pilot voucher program. The board members realized that a single school system, no matter how high achieving, is not able to serve every single need of every single child. They also estimated that, by giving parents the opportunity to decide where their children will thrive, their school district would actually save about \$400,000 that could be redistributed to the public schools.

In the same year, my home state of Indiana, approved a *statewide* voucher program for low- and middle-income students as well as special needs students, making vouchers available to more than half the state's student population. In its first year, almost 4,000 students received vouchers, saving the state \$4.1 million. Participation more than doubled to over 9,000 students in the second year. Of these 9,000 students, 66 percent are from urban areas, 18 percent are from the suburbs, and 16 percent are from rural districts, further demonstrating that *all* students can and will use choice. And, in 2013, the Indiana Supreme Court ruled unanimously that the program was constitutional under the Indiana Constitution.

The existence of all these programs inspired North Carolina, Virginia, and New Hampshire, to enact their own school choice programs in 2012, while Louisiana drastically expanded its voucher program beyond New Orleans to the entire state and Arizona created a new “switcher” tax credit scholarship program. Then in 2013 Alabama, Mississippi, and South Carolina added their own programs, while Ohio and Wisconsin expanded their voucher programs statewide for low-income children.

Then notably, last year, Kansas adopted a program to create a corporate tax credit scholarship program for poor children in failing schools. With that last program, school choice has grown to 51 programs in 24 states and the District of Columbia.



Advancing Milton & Rose D. Friedman's vision of school choice for all children.

---

One American Square • Suite 2420 • Box 82078 • Indianapolis, Indiana 46282  
Voice: 317-681-0745 • Fax: 317-681-0945 • [www.EdChoice.org](http://www.EdChoice.org)



Critically, the important thing, in my opinion, to remember is this: school choice has existed before the turn of the last century, and it has expanded to almost 50% of the country. School choice is not a new idea and has a proven track record of success. In the states where it exists, it has not lead to the destruction of public schools, nor has it lead to the increase in segregation, and it has certainly not led to public schools being starved for funding. In fact school voucher programs alone have led to an estimated savings of \$1.3 Billion dollars. But most importantly, to those that utilize it, school choice offers children a safer more robust education environment. Parents report that their schools of choice are more rigorous, align better with parental values, and offer better college preparation. We should let all parents have to ability to choose that for their children as well.

All the information I discussed today can be found on our website, [www.edchoice.org](http://www.edchoice.org). Thank you very much for the opportunity to appear before you today regarding school choice.

Sincerely,

Michael Chartier  
State Programs and Government Relations Director  
Friedman Foundation for Educational Choice



Advancing Milton & Rose D. Friedman's vision of school choice for all children.

---

One American Square • Suite 2420 • Box 82078 • Indianapolis, Indiana 46282  
Voice: 317-681-0745 • Fax: 317-681-0945 • [www.EdChoice.org](http://www.EdChoice.org)

