



FAMILY ISSUE FACT SHEET

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School Choice

EXECUTIVE SUMMARY

School choice is the single best strategy for improving education for all children. Under Arizona law, parents have the right to choose among public, charter, private, and home schooling options. Parents are responsible for the education of their children. Offering educational choices encourages parental involvement in their child's education and allows them to choose the best possible option for their children. Parents who live in areas where they have a variety of educational choices are also more likely to be satisfied with the education their children receive, whether or not they choose an alternative to public schools.

BACKGROUND

The Arizona Private School Tuition Tax Credit, passed in 1997 and updated in 2005, allows Arizonans to claim a dollar-for-dollar credit against their yearly state income tax liability of up to \$500 for an individual or \$1000 for married couples on donations made to a "School Tuition Organization" (STO). The credit cannot exceed taxes owed, but the taxpayer may carry any unused credit forward for up to five consecutive years.¹

STOs use the funds to grant scholarships to children attending religious or secular private schools, as long as the schools do not discriminate on the basis of race, color, handicap, familial status, or national origin.² According to the information collected by the Arizona Department of Revenue, there are 54 nonprofit STOs in Arizona, who provided 24,678 scholarships to 796 schools in 2006 with an average of \$1,643 provided per student. In 2006, approximately \$51 million was donated to STOs, an increase of 20.9 percent over 2005. This increase is due, in part, to married couples being permitted to contribute up to \$1000, instead of \$850 as in 2005.³

School choice is gaining broad support nationwide. For example, in December 2005, President Bush signed a Hurricane Education Relief Act, which provided educational scholarships for all families displaced by Hurricanes Katrina and Rita. Many cities and states are pursuing vouchers as an option to stimulate educational competition. Maine and Vermont have had voucher programs for years. Florida, Milwaukee, Ohio, and Washington, D.C. have also passed voucher legislation. In addition, Iowa, Pennsylvania, and Rhode Island have tax credit programs for citizens who contribute to school choice programs in their states. In 2007, the Utah legislature passed a comprehensive voucher program, which later failed as a ballot measure after the National Education Association poured millions of dollars into an opposition campaign.

A number of bills have been introduced in the 2008 Arizona Legislature to further school choice and improve the programs in Arizona.

TALKING POINTS

- **School choice and competition help improve public education.** In several states where a school choice program has been implemented, studies have shown that public schools dramatically improved. Separate studies conducted by the University of Florida and Cornell University show that after a choice system was implemented, the public schools in Florida most affected by school choice (i.e. schools in low-income areas, low-performance schools, etc.) recorded higher test scores and graduation rates compared to other Florida public schools. The same is true in Milwaukee, Wisconsin, where failing public schools recorded higher grades in 13 of 15 subject areas after their choice system was implemented.⁴
- **School choice programs save the state money.** Each student not enrolled in the public schools saves the state what otherwise would have been spent on that student: about \$5,300.⁵ Further, the scholarship tax credit enables an unknown number of students to remain in private schools who would otherwise return to public schools and increase the state's costs.
- **School choice programs have strong support in Arizona.** A 2005 poll conducted by Dr. Margaret Kenski found that over 90 percent of Arizonans support at least one of the school choice measures that have come before the state legislature, with approximately 60 percent stating that they "strongly supported" at least one of the measures. The poll also found that 21 to 38 percent of voters in both main political parties stated they would be more likely to vote for state legislative and gubernatorial candidates that supported school choice.⁶
- **There is a demand for the scholarships in Arizona.** According to the Arizona Department of Revenue, the number of scholarships granted by STOs has increased exponentially each year since their inception. For example, in 2006 there was over a 9 percent increase in the number of scholarships granted in 2005. There was an over 19 percent increase in the amount of the individual scholarships.⁷

CONCLUSION

In a 2006 hearing before the Arizona House Education Committee, Virginia Walden Ford, Director of D.C. Parents for School Choice, said, "When parents have a choice, then kids have a chance." Educational scholarships give parents the freedom to choose the education they deem best for their children.

¹ A.R.S. 43-1089

² Ibid.

³ Arizona Department of Revenue. (2007, April 2). Individual Income Tax Credit for Donations to Private School Tuition Organizations: 2006. *Arizona Department of Revenue Press Release*. Retrieved December 5, 2007, from http://www.azdor.gov/ResearchStats/private_schl_credit_report_2007.pdf

⁴ Rajashri Chakrabarti, "Impact of Voucher Design on Public School Performance: Evidence from Florida and Milwaukee Voucher Programs," *Education News*, Summer 2004.

⁵ "Staff Memorandum." Joint Legislative Budget Committee. 2006.

⁶ Friedman Foundation for Educational Choice. (2005, April 8). Survey shows majority of Arizonans endorse school choice. *Friedman Foundation for Educational Choice Press Release*. Retrieved January 22, 2008, from <http://www.friedmanfoundation.org/>

⁷ Arizona Department of Revenue.