

Document Reviewed: "Education Scholarships: Expanding Opportunities for Students,

than an academic version of money laundering: citing “the guy down the hall” but depicting the authority as independent.

Pennsylvania and Florida

The *Education Scholarships* proposal holds up the Pennsylvania and Florida programs as successful programs that Arizona should emulate. These states’ programs have not existed long enough to draw any meaningful policy conclusions, however. In both cases, the tuition tax credit legislation was passed only a year ago, in the spring of 2001.

Legal Concerns

The Goldwater proposal would present legal questions comparable to those put at issue by A.R.S. § 43-1089, the present Tuition Tax Credit law. One of the legal issues raised in a lawsuit challenging that law concerned the question of whether it violated the establishment clauses of both the federal and the state constitutions. The challengers argued that the law unfairly favored private religious schools with state money. In *Kotterman v. Killian*, 972 P.2d 606 (1999), the ruling majority on the Arizona Supreme Court dismissed these contentions, repeatedly citing the parallel public school tax credit law (A.R.S. § 43-1089.01), which allows a credit of up to \$200 for fees paid by taxpayers in support of public school extracurricular activities.⁵ Essentially, the court majority held that, since the tax credit for private school tuition grant donations is not the only option available to potential donors, there is no unconstitutional favoritism of religious

advantage of school choice appreciate the freedom, and they perceive the chosen school as preferable to their child's old school.¹² Moreover, while school choice does not seem to have generated the sort of widespread innovation that advocates initially theorized, there do exist some impressive examples of innovation.¹³

On the negative side of the ledger, school choice mechanisms appear to stratify children by income, test score, special education, and race.¹⁴ Research suggests that the parents who actively avail themselves of choice programs for their children have higher levels of education than those who do not.¹⁵ If this tendency were to hold true under the Goldwater proposal, one would expect the 7% of federal lunch program students who are awarded these scholarships to have more highly educated parents than the 93% of this subpopulation who remain in the public schools. As such, one can see that the proposal may do little to benefit the great majority of low-income students.

The key, of course, is what happens to those 93% of low-income students who remain in the public schools. In the Goldwater proposal, Olsen describes an optimistic scenario:

By infusing the state education system with dynamic, competitive forces, the program has the potential to benefit all students, not just those who receive direct scholarships. As more and more families exercise choice, educators respond by improving their services to attract and retain students. When parents choose schools, schools that can't teach will be shut down and schools where children excel will flourish. That process raises the quality of education for all children in all schools while improving fiscal responsibility to taxpayers.

Unfortunately, this is not the way school choi

envisioning? Will these be “McSchools” – chains designed for efficiency – or truly innovative and exciting facilities? The wealthy will demand the latter; but what will low-income families have for their choices?

Elements of the Goldwater proposal may be worth further study. As noted earlier, the state may want to consider amending the present law to include means testing. And the state may also want to study ways to involve the business community in charitable educational activities. But little in the present proposal offers empirical support for the proposition that this is a sensible way to channel that community's financial contributions. While there is real value to policies that encourage corporate generosity, little is gained from a policy that merely gives corporations the power to redirect tax money that is otherwise targeted for public purposes.

NOTES

- 1 Olsen, Darcy (2002). “Education Scholarships: Expanding Opportunities for Students, Saving Taxpayers Money.” Phoenix: Goldwater Institute.
- 2 See, for instance: Gill, B.P., Timpane, P.M., Ross, K.E., & Brewer, D.J. (2001). *Rhetoric Versus Reality: What We Know and What We Need to Know About Vouchers and Charter Schools*. Santa Monica, CA: RAND.
- 3 Olsen, p. 4.
- 4 See footnote 17 of Cato Policy Analysis No. 414 (September 17, 2001) (Ss475e ws Nz.sTv7tie.sTv7 .2(e)2(Analho0.002

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- 14 Howe, K., Eisenhart, M., & Betebenner, D. (2001, October). School choice crucible: A case study of Boulder Valley. *Phi Delta Kappan*, 83 (2), 137-146.
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- 15 Witte, J. (2001). *The market approach to Education: An Analysis of America's first voucher program*. Princeton: Princeton University Press.
- 16 Howe & Betebenner (2001).
- Taylor, G., Shepard, L., Kinner, F., & Rosenthal, J. (2001). *A Survey of Teachers' Perspectives on High-Stakes Testing in Colorado: What Gets Taught, What Gets Lost. Draft Report*. Boulder, CO: University of Colorado at Boulder; National Center for Research on Evaluation, Standards, and Student Testing; Center for Research on Evaluation, Diversity and Excellence.
- Flannery, M.E. (2000, May 5). "Teachers may be able to switch from F schools." *The Palm Beach Post*.
- 17 As a practical matter, a policy maker might also wonder, given Arizona's open availability of charter schools and the present individual tuition tax credits, why the system is not already "infused with dynamic, competitive forces" sufficient to drive the innovations and improvement theorized by the Goldwater proposal.

Education Policy Studies Laboratory

Division of Educational Leadership and Policy Studies
College of Education, Arizona State University
P.O. Box 872411, Tempe, AZ 85287-2411
Telephone: (480) 965-1886
Fax: (480) 965-0303
E-mail: eps1@asu.edu