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# PUBLIC RULES ON PRIVATE SCHOOLS

Measuring the Regulatory Impact of State  
Statutes and School Choice Programs

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Andrew D. **Catt**

MAY **2014**

**The Friedman Foundation**  
for Educational Choice  
**edchoice.org** 

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## Foreword

by Jeff Spalding

With the surge in school choice legislation over the past five years, more attention has turned toward the effects of new regulations on the operations of private schools. A pressing concern is how new regulatory environments might impact the supply of participating private schools. This is a matter of significant importance to school choice advocates because, at a very basic level, there is no choice if there is no supply of real alternatives to traditional public schools.

As the Friedman Foundation for Educational Choice began looking more closely at this matter of private school regulations, it was evident the analytical work done to date left substantial opportunity on which to build and continue to chip away at the remaining data gaps.

Most notably, all prior published work on this topic has taken only a “snapshot” look at regulations and then overlaid it with professional judgment to produce a mostly subjective assessment of the effects of regulations on private school choice. The Friedman Foundation’s intent is to shift toward a more systematic and objective analytical framework for tracking and measuring private school regulatory burdens over time.

By no means does the Friedman Foundation and its team wish to imply the prior work did not elevate understanding and provide important insight into the effects of regulatory burdens placed on private schools. In fact, it most certainly influenced this report.

Rather, our hope is that a review process with sustainable relevance over time might be established for assessing ongoing changes in the private school regulatory environment. This report is the first attempt at a longitudinal analysis of private school choice regulations, seeking to answer the question: How does the advent of private school choice change the regulatory burden on private schools?

Toward that end, Drew Catt began the substantial task of compiling and organizing the tremendous amount of legal statutes regulating private school operations in each state—collecting not only the current statutory legal regime but also earlier versions of each state’s private school laws as they existed before school choice was enacted. With this type of data, we hope to identify trends in private school regulation in response to school choice. Make no mistake, we understand this is an incredibly ambitious goal, but you have to start somewhere.

Beyond closing the longitudinal data gap, the Friedman Foundation also strives to replace subjective rating scales with a more objective structure. This is another ambitious step, which will, most certainly, require continued refinement.

To start, Catt borrowed from the insights of his predecessors in defining major categories of relevant types of school regulations, such as curriculum, testing, reporting, and enrollment. Grouping regulations in this way helps with both clarity and analysis of results. Where Catt has taken a dramatically new approach is the calibration of the rating scale, against which he measures the effects of new private school regulation.

In a previous examination of regulatory burdens referenced by Catt, David Stuit and Sy Doan defaulted to a system based on a simple numeric count of regulations as their metric for comparison. That approach obviously fails to capture qualitative differences in the varying real effects of different types for requirements. Sometimes one very onerous regulatory mandate can have more effect than 10 trivial requirements. Years prior, Christopher Hammons sought to overcome that problem by assigning an impact factor to each type of regulation. However, he set different rating scales for each category of regulation, presumably based on his own judgments about differential impacts, and then assigned ratings to each type of regulation within each category.

Different scales for different categories adds both complexity and subjectivity to this kind of endeavor. One overarching goal of this project is to simplify the

immense task of observing and interpreting a very complex web of state statutes while maintaining some degree of nuance, which the analysis of regulations demands.

Accordingly, and counter to previous analyses of private school regulations, Catt built an objective ratings framework *first* without considering where each regulation might fall on that scale. The main purpose for this approach is two-fold:

1. to protect against personal or ideological bias in ratings as much as possible, and
2. to facilitate comparisons across states and types of school choice programs.

Catt's Regulatory Impact Scale (see page 13) is symmetric and applied uniformly across all categories of private school regulations. In doing so, he hopes to scrub as much subjectivity out of the regulatory ratings as possible without becoming completely agnostic about the relative differential effects of some types of laws versus others.

The Friedman Foundation views this as an important advancement toward building a way to measure and track this regulatory phenomenon as school choice continues to evolve across the country.

*Jeff Spalding is the Director of Fiscal Policy and Analysis for the Friedman Foundation for Educational Choice.*

## Executive Summary

Is regulatory creep a fate that awaits all school choice programs? With the number of those programs doubling over the past five years, the need for context and understanding is critical.

This report provides a framework for understanding the impacts of state government statutes regulating private schools, regulations distinct to a given school choice program, and any regulatory growth over a program’s lifespan. Examining school choice programs in operation for at least a few years provides important context and comparisons for policymakers considering additional regulations on current programs, as well as for school choice advocates pursuing new or expanded programs.

In recent years, several scholars have conducted research on private school regulations, in each case breaking new ground for observations. However, those researchers limited their scope to cross-sectional treatments of the regulatory environment at a single point in time—analytical snapshots—which do not show where regulations started and how those statutes got to where they are today.

This project establishes a database created specifically to track and evaluate state statutes regulating private schools before and after the enactments of 23 school

choice programs in 12 states. The database contains not only the *current state statutes* applying to private schools in those states but also earlier versions of each state’s private school statutes as they existed *before the enactment of the private school choice programs* (“Pre-Choice”). The 355 Pre-Choice regulations represent nearly 62 percent of the 575 total regulations examined for this project, including 130 regulations in the first year of the programs’ implementation (“Year 1”) and 90 regulations in the following years (“Years 2+”) (see table below).

The author attempts to address several core questions:

- How do the regulatory environments before the enactment of private school choice programs compare to the regulatory environments brought about by those programs?
- To what extent do private school choice programs change *the existing relationship* between state governments and private schools?
- What types of regulations burden private schools the most? Has the nature of the regulatory burden changed over time?

This report proposes a new way to measure and evaluate private school regulations. As part of this

Regulation Counts for All Programs and Proportions of Choice-Based Regulations (Year 1 vs Years 2+)

Regulation Category	Pre-Choice Regulation Counts	Year 1 Regulation Counts	Years 2+ Regulation Counts	Year 1 Proportion of Choice Regulations	Years 2+ Proportion of Choice Regulations
Certification, Licensure	32	4	14	22%	78%
Curriculum, Instruction	108	8	3	73%	27%
Application, Eligibility (for School)	24	29	10	74%	26%
Financial Reporting, Disclosure	2	4	4	50%	50%
Testing, Accountability	6	6	4	60%	40%
Paperwork, Reporting	83	27	41	40%	60%
Student Life, Health and Safety	33	7	3	70%	30%
Student Eligibility, Admissions, Enrollment, Tuition	36	44	10	81%	19%
Transportation	31	1	1	50%	50%
<b>OVERALL</b>	<b>355</b>	<b>130</b>	<b>90</b>	<b>59%</b>	<b>41%</b>

project, a new rating scale was created that qualitatively assigns an “impact score” (ranging between -3 and +3) to each regulation within the relevant statute and its subparts. That symmetric scale is applied uniformly across all categories of private school regulations, with an eye toward minimizing subjectivity and arbitrary scoring as much as possible.

Highlights of this report’s findings include:

- The vast majority of regulations affecting the private schools participating in school choice programs tend to be established *before* the enactment of a school choice program. On average, 62 percent of regulations on private schools were created prior to the existence of a given program.
- On average, 59 percent of observed regulations were implemented in a program’s first year, whereas 41 percent were implemented in the years following.
  - A larger proportion of regulations in the Student Eligibility, Admissions, Enrollment, Tuition (81 percent); Application, Eligibility (for School) (74 percent); and the Curriculum, Instruction (73 percent) categories were implemented in year one, whereas a larger proportion of regulations in the Certificate, Licensure category (78 percent) and the Paperwork, Reporting category (60 percent) were implemented in later years.
- On average, the analyzed private school voucher programs have regulatory impact scores slightly more than three times as negative the scores of tax-credit scholarship programs. However, ratios demand added perspective. Some caution should be taken when considering that kind of ratio because the actual level of burden facing private schools may or may not be onerous.
  - When controlling for outliers and programs tailored to students with special needs, voucher scores are nearly five times as negative as are those of tax-credit scholarships.

- The education savings account program in Arizona is the only school choice program that received a positive average impact score (+3). Because that program is the first of its kind, there are proportionally more regulations in place that likely are protective safeguards rather than coercive requirements.
- The Paperwork, Reporting category and the Student Eligibility, Admissions, Enrollment, Tuition category had the most negative average impact scores of all categories.
  - When controlling for the Paperwork, Reporting category, average scores reduced 42 percent for the voucher programs and 21 percent for the tax-credit scholarship programs.
  - When controlling for the Student Eligibility, Admissions, Enrollment, Tuition category, average scores reduced 21 percent for the voucher programs and 24 percent for the tax-credit scholarship programs.
- Transportation is the only regulation category that received a positive average impact score (+0.9).

Because this report provides important context and comparisons for policymakers considering regulatory frameworks for new and current programs, a set of policy recommendations and considerations are provided:

- Avoid reinventing the wheel by establishing empirically-driven thresholds and see if the private school sector is already meeting those thresholds before determining if any additional regulation is necessary.
- Ensure a recommended regulation is not already in place for private schools and, if there are some already in place with similar objectives, consider any overlap.
- Take into account the oversight roles of accreditation agencies and associations to see if

there is some measure of oversight and accountability already in place.

- Consider legislatively mandated costs to private schools in fiscal impact calculations.
- Ensure all schools, regardless of type or sector, can be reimbursed for substantial costs associated with regulations.

In addition, the data collection and analysis in this report should open the door to further research. Accordingly, several implications for research emerge:

- Conduct a similar analysis on the rules and regulations affecting state agencies interacting with school choice programs, scholarship-granting organizations, and parents and students, including a comparison of the stakeholders receiving the brunt of the regulatory burden for each type of school choice program.

- Enlarge and fine-tune the current database by adding non-education- or non-transportation-related statutes, such as those affecting health and safety requirements, tax exemption, and nursing and health, in addition to administrative codes and constitutional provisions.
- Overlay the time series of program regulation enactments with program enrollments for the same state to see if there is a relationship between program participation levels and increases in the regulatory burden on private schools.

The author’s final recommendation is for proponents of school choice: Educate policymakers, the media, and the general public on the longstanding regulatory relationship between state governments and private schools.

#### Regulation Categories Sorted by Average Scores (Excluding Pre-Choice)

Paperwork, Reporting	-7.91
Student Eligibility, Admissions, Enrollment, Tuition	-4.70
Application, Eligibility (for School)	-2.87
Certification, Licensure	-2.35
Student Life, Health and Safety	-1.30
Testing, Accountability	-1.09
Financial Reporting, Disclosure	-0.70
Curriculum, Instruction	-0.57
Transportation	+0.09
<b>TOTAL</b>	<b>-21.39</b>

#### Types of School Choice Sorted by Average Program Scores

Vouchers (All Programs Analyzed)	-32.92
Vouchers (Excluding Outliers and Special Needs)	-21.25
Tax-Credit Scholarships (All Programs Analyzed)	-10.00
Tax-Credit Scholarships (Excluding Outlier and Special Needs)	-4.38
Education Savings Accounts (Arizona)	+3.00

Analyzed Programs Sorted by Program Scores

State	Program	Type	Years Analyzed	Program Score
WI	Milwaukee Parental Choice Program	V	25	-132
FL	John M. McKay Scholarships for Students with Disabilities Program*	V	16	-60
FL	Florida Tax Credit Scholarship Program	TCS	14	-58
OH	Cleveland Scholarship Program	V	20	-37
LA	Louisiana Scholarship Program†	V	7	-33
UT	Carson Smith Special Needs Scholarship Program*	V	10	-32
OK	Lindsey Nicole Henry Scholarships for Students with Disabilities*	V	5	-23
GA	Georgia Special Needs Scholarship Program*	V	8	-22
LA	School Choice Program for Certain Students with Exceptionalities*	V	5	-21
OH	Jon Peterson Special Needs Scholarship Program*	V	4	-15
OK	Oklahoma Equal Opportunity Education Scholarships	TCS	4	-12
OH	Educational Choice Scholarship Program†	V	10	-10
AZ	Original Individual Income Tax Credit Scholarship Program	TCS	18	-7
AZ	Low-Income Corporate Income Tax Credit Scholarship Program	TCS	9	-7
AZ	Lexie's Law for Disabled and Displaced Students Tax Credit Scholarship Program*‡	TCS	6	-7
GA	Qualified Education Expense Tax Credit	TCS	7	-6
OH	Autism Scholarship Program*	V	12	-5
IN	Choice Scholarship Program	V	4	-5
IA	School Tuition Organization Tax Credit	TCS	8	-3
PA	Educational Improvement Tax Credit Program	TCS	14	0
RI	Tax Credits for Contributions to Scholarship Organizations	TCS	9	0
IN	School Scholarship Tax Credit	TCS	6	0
AZ	Empowerment Scholarship Accounts*†‡§	ESA	4	+3

V = Voucher, TCS = Tax-Credit Scholarship, ESA = Education Savings Account

\*Limited to students with special needs

†Limited to students in low-performing schools

‡Limited to students previously in foster care

§Limited to children of active military members



## Introduction



*There is a widespread misperception that private schools avoid government oversight or are ‘unregulated.’ In fact, private schools are subject to a wide variety of laws and regulations that run the gamut from reasonable rules to ensure health and safety to unreasonable rules that interfere with school curricula, preventing schools from pursuing the educational approaches that work best for their students.<sup>1</sup>*

— **Christopher Hammons**, Professor of Government, Houston Baptist University, *Fifty Educational Markets: A Playbook of State Laws and Regulations Governing Private Schools*



Nearly 25 years ago the first modern private school voucher program launched in Milwaukee, Wisconsin, and over the course of time dramatic changes would soon come to all schools—private and public—in that metropolitan area. However, that program’s influence did not stop at the local level. What has emerged since that launch—in 23 other states and Washington, D.C.—is an evolving relationship between state government and private schools.

It is essential to characterize that relationship as “evolving” rather than as “new.” As Christopher Hammons documented more than six years ago in *Fifty Educational Markets*, all 50 states have had formal interactions with private schools over many years and to varying degrees. For more than a century, state governments have operationalized those relations with private schools by statutory regulation. Obviously, that was long before the Milwaukee Parental Choice Program became law in 1990.

A key question guides this report’s empirical exercise:

To what extent do private school choice programs change *the existing relationship* between state governments and private schools?

The Milwaukee program has proved to be a lightning rod for governmental scrutiny to this very day. Before the program even started, the state of Wisconsin had instituted 31 unique statutory regulations on all private schools. From 1990 to 2012, after the voucher program launched, the state added 55 regulations on those private schools that chose to participate in the program. More than half of those regulations—mostly related to paperwork and reporting—were added just five years ago. In terms of quantity (i.e., the *aggregate* count of regulations) and impact (i.e., government coercions, protections, or parity inducements on private schools), the Milwaukee program has become the most heavily regulated private school choice program in the country.

Is such regulatory creep a fate that awaits all school choice programs? The need for context and understanding is critical as the number of programs has doubled in recent years. At the time of this writing, there are 51 school choice programs in 24 states and Washington, D.C.<sup>2</sup>

The purpose of this report is to provide a framework for understanding the growth and norms of state government regulations on private schools, differentiating “program-based” regulations from “pre-choice” regulations. Examining Milwaukee and other school choice programs (in operation for at least a few years) should provide the important context and comparisons for lawmakers considering additional regulations on current programs, as well as for school choice advocates pursuing new programs or expanded programs. Through the course of this report, the challenges and consequences surrounding private school accountability requirements for the analyzed school choice programs will be explored.

This report has five sections. The first describes a two-step analysis of aggregate counts of regulations and the regulatory impacts for each of the 23 private school



choice programs analyzed in 12 states. The second section offers definitions and other background relating to the country's school choice programs, a brief review of the relevant research literature, and a description of the project's methodology and "Regulatory Impact Scale." The third section provides overviews, analytical snapshots, and assesses the regulatory counts and impacts for each of the observed school choice programs. The fourth section discusses the data with breakouts by program type (e.g., voucher, tax-credit scholarship) and regulation category type (e.g., Paperwork, Reporting and Testing, Accountability, etc.). The conclusion shares general implications for future research and suggests several recommendations for policymakers and advocates.

## Choice and Regulation

In his 1955 article "The Role of Government in Education," Milton Friedman introduced the concept of school choice:

"The administration of schools is neither required by the financing of education, nor justifiable in its own right in a predominantly free enterprise society," the Nobel laureate said.<sup>3</sup> "A far better alternative to political control is to introduce competition in schooling, to give parents a real choice."<sup>4</sup>

"The injection of competition would do much to promote a healthy variety of schools," Friedman said. "It would do much, also, to introduce flexibility into school systems."<sup>5</sup>

It took more than 30 years for Friedman's seminal idea to shape education policy, but the enactment of the Milwaukee Parental Choice Program in 1990 was a first step toward fulfilling his vision of school choice as a catalyst to transform American education.

## Outcomes of School Choice Programs

Since 2008, the empirical research on private school choice has been reviewed periodically by Greg Forster.

The latest edition of Forster's report, *A Win-Win Solution*, published in 2013, reviewed five outcomes of school choice programs. The following is excerpted from Forster's executive summary:

- Twelve empirical studies have examined academic outcomes for school choice participants using random assignment, the "gold standard" of social science. Of these, 11 find that choice improves student outcomes—six that all students benefit and five that some benefit and some are not affected. One study finds no visible impact. No empirical study has found a negative impact.
- Twenty-three empirical studies (including all methods) have examined school choice's impact on academic outcomes in public schools. Of these, 22 find that choice improves public schools and one finds no visible impact. No empirical study has found that choice harms public schools.
- Six empirical studies have examined school choice's fiscal impact on taxpayers. All six find that school choice saves money for taxpayers. No empirical study has found a negative fiscal impact.
- Eight empirical studies have examined school choice and racial segregation in schools. Of these, seven find that school choice moves students from more segregated schools into less segregated schools. One finds no net effect on segregation from school choice. No empirical study has found that choice increases racial segregation.
- Seven empirical studies have examined school choice's impact on civic values and practices such as respect for the rights of others and civic knowledge. Of these, five find that school choice improves civic values and practices. Two find no visible impact from school choice. No empirical study has found that school choice has a negative impact on civic values and practices.<sup>6</sup>

Why is it important to know those research findings? A number of programs represented in Forster's *Win-Win*—Milwaukee's, the District of Columbia's,

Florida's—have been subject to heightened scrutiny and regulatory threat in recent years. Policymakers are either unaware of the research conducted on those programs or they are and still desire added government regulations. But there may not be a critical need for the latter action, as Forster's report suggests, especially when it comes to improving academic performance, ensuring student diversity, or instilling civic values.

In 2009, Andrew Coulson found the statistically significant results on outcomes to favor private schools compared to public ones. "One implication of the large body of empirical evidence is that, as a whole, government regulation of private schools seems, at best, to be irrelevant to their performance and possibly harmful to it," Coulson wrote.<sup>7</sup>

## Government Regulations on Private Schools

About seven years ago, Christopher Hammons compiled a list of state laws and regulations governing private schools in all 50 states.<sup>8</sup> He then categorized the laws and regulations into six types and assigned subcategories score values ranging from -3 to +1. Hammons then summarized his scores by state and gave each a letter grade based on the score, i.e., the "weight" of the regulations.

Using Hammons' report, Coulson statistically analyzed 20 voucher, tax-credit scholarship, and tax credit and deduction programs to further inform policymakers and researchers.<sup>9</sup> Coulson added to Hammons' data by collecting data on any additional regulations in the relevant legislation. He then categorized the regulations and quantified them using "a regulation intensity scale ranging from 0 (no regulation) to 6 (the most stringent regulation)."<sup>10</sup> Coulson next conducted a multilevel regression analysis using control variables of whether or not a program was a voucher or tax-credit scholarship, age of the program, and political party control of state government in the year in which the program passed, among others.<sup>11</sup>

Such research on how government regulations

impact private schools is critical, as it needs to be considered by designers and drafters of school choice policy. According to the National Conference of State Legislatures (NCSL), when states are considering enacting a voucher program, "they also will want to consider the level of state oversight and accountability to put in place." NCLS's list of oversight and accountability includes setting minimum participation standards and determining whether to collect and evaluate data on participating school performance and make that data available to parents.<sup>12</sup> NCSL encourages states to consider similar measures for tax-credit scholarship programs.<sup>13</sup>

In David Stuit and Sy Doan's 2013 report on school choice regulations, they found "there is enormous variation in the nature and extent of the regulations associated with" specific school voucher and tax-credit scholarship programs in Arizona, Florida, Georgia, Indiana, Iowa, Louisiana, Ohio, Pennsylvania, Rhode Island, Wisconsin, and Washington, D.C.<sup>14</sup>

Coulson concluded voucher programs may increase the regulatory burden imposed on participating schools whereas individual tax credit and deduction programs (not covered in this report's analysis) and tax-credit scholarship programs had five times fewer regulations than voucher programs had.<sup>15</sup> Tax-credit scholarship programs are unique, however, in the use of external agencies—typically called scholarship-granting organizations (SGOs)—to handle financial matters. "[SGOs] are non-profit, tax-exempt charitable groups that collect donations and use them to give out scholarships to students who wish to attend a private school."<sup>16</sup> Critically, those intermediary organizations bear the brunt of the regulatory burden typically placed on private schools participating in voucher programs.<sup>17</sup> Though SGOs are able to place rules and regulations not covered by state statutes on schools, that is not covered in this report's analysis.

Perhaps unsurprisingly, some principals have cited concerns about required regulations as one of the top reasons for not participating in a school choice program.<sup>18</sup> It is noteworthy that more than half of the private schools in the 13 choice program jurisdictions

Stuit and Doan examined participate in voucher or tax-credit scholarship programs, despite the authors' finding that increased regulations make private schools *less* likely to sign up for a school choice program.<sup>19</sup> If the majority of private schools are participating in these programs, increased regulations might not be serving as much of a deterrent. Of course, such regulations could be discouraging more schools from participating.

## Data and Methods

### Inclusion Criteria for School Choice Programs

As previously noted, 23 school choice programs' statutes ("choice statutes") were analyzed in this report. At an early stage, it was determined that school vouchers, tax-credit scholarships, and education savings accounts would be the focus of observation. Individual tax credit and deduction programs—whereby parents receive state income tax relief for approved educational expenses, which can include private school tuition, books, supplies, computers, tutors, and transportation—were not included because those programs do not provide direct financial assistance to make tuition payments and, thus, have no statutory ties to private school regulations.<sup>20</sup>

This report considers how states' choice statutes regulating private schools have changed over time. Any programs that did not have at least three iterations of choice statutes available online were not included in this analysis; for example, even though Wisconsin's new Racine voucher program launched in 2011, it was not included because Wisconsin only updates its statutes biennially on its legislative website.<sup>21</sup> Because of a lack of available statutes, programs that started prior to 1990 were not included (Maine's and Vermont's town tuitioning programs started in 1873 and 1869, respectively).<sup>22</sup> Finally, in an attempt to compare similarly governed programs as much as possible, programs in which regulations originate outside of state statutes (Douglas County, Colorado and Washington, D.C.) were not included. Because this is a longitudinal study, various time periods were analyzed for each program.

## THE THREE TYPES OF SCHOOL CHOICE PROGRAMS ANALYZED

**VOUCHERS** give parents the ability to choose a private school for their children, using all or part of the public funding set aside for their children's education. Under such a program, funds typically expended by a school district are allocated to a participating family in the form of a voucher to pay partial or full tuition for their child's private school, including both religious and non-religious options.

**TAX-CREDIT SCHOLARSHIPS** allow taxpayers to receive full or partial tax credits when they donate to nonprofits that provide private school scholarships. Eligible taxpayers can include both individuals and businesses. In some states, SGOs also provide innovation grants to public schools and/or transportation assistance to students choosing alternative public schools.

**EDUCATION SAVINGS ACCOUNTS** allow parents to withdraw their children from public district or charter schools and receive a deposit of public funds into government-authorized savings accounts with restricted, but multiple, uses. Loaded on to a debit card, those funds can cover private school tuition and fees, online learning programs, private tutoring, community college costs, and other higher education expenses.<sup>23</sup>

School Choice Programs Sorted by Number of Years Analyzed

State	Program	Type	Years Analyzed	Number of Years Analyzed	Percent of Private Schools Participating
WI	Milwaukee Parental Choice Program	V	1988-2012	25	97.3%
OH	Cleveland Scholarship Program	V	1994-2013	20	92.1%
AZ	Original Individual Income Tax Credit Scholarship Program	TCS	1996-2013	18	98.8%
FL	John M. McKay Scholarships for Students with Disabilities Program*	V	1998-2013	16	65.2%
FL	Florida Tax Credit Scholarship Program	TCS	2000-2013	14	75.2%
PA	Educational Improvement Tax Credit Program	TCS	2000-2013	14	N.A.
OH	Autism Scholarship Program*	V	2002-2013	12	27.6%
OH	Educational Choice Scholarship Program†	V	2004-2013	10	45.8%
UT	Carson Smith Special Needs Scholarship Program*	V	2004-2013	10	25.0%
AZ	Low-Income Corporate Income Tax Credit Scholarship Program	TCS	2005-2013	9	63.3%
RI	Tax Credits for Contributions to Scholarship Organizations	TCS	2005-2013	9	37.5%
GA	Georgia Special Needs Scholarship Program*	V	2006-2013	8	29.7%
IA	School Tuition Organization Tax Credit	TCS	2005-2012	8	51.0%
GA	Qualified Education Expense Tax Credit	TCS	2007-2013	7	N.A.
LA	Louisiana Scholarship Program†	V	2007-2013	7	32.0%
AZ	Lexie's Law for Disabled and Displaced Students Tax Credit Scholarship Program*‡	TCS	2008-2013	6	17.9%
IN	School Scholarship Tax Credit	TCS	2008-2013	6	N.A.
LA	School Choice Program for Certain Students with Exceptionalities*	V	2009-2013	5	8.3%
OK	Lindsey Nicole Henry Scholarships for Students with Disabilities*	V	2009-2013	5	18.2%
AZ	Empowerment Scholarship Accounts*†‡§	ESA	2010-2013	4	22.0%
IN	Choice Scholarship Program	V	2010-2013	4	32.3%
OH	Jon Peterson Special Needs Scholarship Program*	V	2010-2013	4	20.0%
OK	Oklahoma Equal Opportunity Education Scholarships	TCS	2010-2013	4	18.2%

V = Voucher, TCS = Tax-Credit Scholarship, ESA = Education Savings Account

\*Limited to students with special needs

†Limited to students in low-performing schools

‡Limited to students previously in foster care

§Limited to children of active military members

Sources: Author's calculations; The Friedman Foundation for Educational Choice, *The ABCs of School Choice: The Comprehensive Guide to Every Private School Choice Program in America*, 2014 ed. (Indianapolis: Friedman Foundation for Educational Choice, 2014), <http://www.edchoice.org/ABCs>; Ariz. Dept. of Revenue, *Private School Tuition Organization Income Tax Credits in Arizona: A Summary of Activity – FY 2013* (Phoenix: Ariz. Dept. of Revenue, 2014), <http://www.azdor.gov/ReportsResearch/SchoolTaxCredit.aspx>; and Stephen P. Broughman and Nancy L. Swaim, *Characteristics of Private Schools in the United States: Results From the 2011-12 Private School Universe Survey*, NCES 2013-316 (Washington, DC: US Dept. of Education, National Center for Educational Statistics, 2013), table 15, p. 20, <http://nces.ed.gov/pubs2013/2013316.pdf>.

The distinguishing feature of this report is the exploration of choice-based regulations while considering the context of a state's pre-choice environment, which serves as a regulations baseline. Previous research looked at cross-sectional snapshots of choice and/or general private school regulations. Moreover, this analysis covers more programs than others' research. Coulson's analysis focused on 20 programs, 14 of which fit the parameters of this report. Stuit and Doan's analysis covered 13 programs, 12 of which fit the parameters of this report.<sup>24</sup>

## Sources and Regulation Categories

The U.S. Department of Education's (USDOE) Office of Non-Public Education has been compiling almost once a decade since the 1980s all state regulations affecting private schools, with the most recent version updated through 2009.<sup>25</sup> Upon examining the statutes covered in the USDOE's report, it became clear many of the statutes were not specific to private schools, such as those dealing with all establishments that serve food. Therefore, the focus is only on the general statutes found under the respective education and transportation titles. Those statutes constitute the pre-choice regulatory environment. Choice statutes were located by searching websites for state departments of education, state departments of revenue, and state legislatures as well as through utilizing previously established contacts, such as the Private School Choice Programs section of the Wisconsin Department of Public Instruction's website, for example.

Initially, private school regulations were tracked in each respective jurisdiction on state legislative websites, looking first for statutes in the year immediately prior to the enactment of school choice legislation (the aforementioned pre-choice environment). The first programs for which data and statute information were collected (Milwaukee, Indiana, and Florida) all had archived statutes dating back to before their school choice programs were enacted. However, that was not the norm. Many states make only the most recent iteration of their statutes available to the public on the web; accordingly, data collection transitioned

to searching LexisNexis. Once program statutes and sources were identified, the corresponding private school regulations were entered into a database, and statute changes were tracked by comparing text from one iteration to the next. Each applicable regulation within the statutes was color-coded into one of nine categories.

The types of regulation categories were adapted from Stuit and Doan's 2013 report; a weight (or priority) to the categories was not assigned. The nine categories are:

1. Certification, Licensure Requirements
2. Curriculum, Instruction Requirements
3. Application, Eligibility Requirements (for Schools)
4. Financial Reporting, Disclosure
5. Testing, Accountability Requirements
6. Paperwork, Reporting
7. Student Life, Health and Safety
8. Student Eligibility, Admissions, Enrollment, Tuition Requirements, Restrictions
9. Transportation Allowances, Requirements<sup>26</sup>

## Regulatory Impact Scale

The author's research design sought to measure the impact of regulation by the year-to-year change in the number of regulations in each category. Although charts for the pertinent regulation counts are included in the program analyses for comparison, a count alone, like that used by Stuit and Doan, does not necessarily correlate to the real impact on participating private schools because different regulations may varyingly impact schools.<sup>27</sup> Therefore, to highlight some nuance and better understanding of those regulatory impacts, a modified rating scale was used based on Hammons' 2008 report.<sup>28</sup> Although Hammons created a separate rating scale for each category, with possible values of -4, -3, -2, -1, 0, +2, and +4, the exact range depended on a given category.

The Regulatory Impact Scale introduced in this report



standardizes coding and impact scores across all categories for internal consistency. The point of view of the private school was used as the guide for coding and assigning scores. The scale is an attempt to minimize the potential for ideological bias. The Regulatory Impact Scale uses a range of values from -3 to +3, in incremental units, covering private school regulations from clear government requirements to private school safeguards. Regulations already covered by other statutes resulted in a net zero (0) effect.

To ensure full clarity of the categorical distinctions in the table below, further elaboration may be needed on the distinctions that may not be obvious at first glance. The difference between the ratings of -2 and -1 is the former needs to be followed by all schools, but, in doing so, some may have more of a burden than other schools, such as a school that fails a safety inspection. The latter type of regulation may never apply to some schools, depending on applicable circumstances, such as a school that becomes defunct. Each pertinent regulation was assigned an impact score in the applicable year of creation, amendment, or, in the case of pre-choice statutes, the first year analyzed. Each program then received impact scores aggregated on an annual basis and an overall impact of choice (the Program Score).

## Considerations and Limitations

- This study looks only at the regulatory impact on private schools participating in school choice programs through the lens of a private school and its administration. The impact on other stakeholders, such as state departments of education, SGOs, and parents and students is not covered. Those entities play a major role in school choice programs and, as discussed at the end of this report, warrant additional analyses.
- There is no assignment of categorical weight. A single category should not dictate the overall rating of a program, and assigning categorical weight could inject a potential bias into the analysis. However, if categories were weighted, a heavier weight would be assigned to testing requirements and a lighter weight would be assigned to many of the paperwork and reporting requirements, as the former typically disrupts multiple school days for many grade levels whereas, depending on the form, the latter could be completed by a single individual in a matter of minutes. The problem is the cost or value added to a private school is unknown, which, if known, would make the picture of the regulatory environments clearer.

### Regulatory Impact Scale

Impact Scale Value	Description	Example
-3	All private schools are required or not allowed, and there is a similar level of burden across all schools	Standardized testing
-2	All private schools are required, and all will face some burden, but the level will vary (some schools may need to take only a single action and some may need to take multiple actions)	School required to admit new students in all grades offered
-1	All private schools are required, but some schools may never face any burden (some schools may never need to follow regulation)	Transfer student records if school becomes defunct
0	Private schools may choose or volunteer but must follow applicable requirements and/or pay applicable fees and benefit is unclear, OR already covered by general statutes, OR contradictory statutes result in a net zero effect	Schools have the option to be voluntarily accredited prior to the existence of the choice program
+1	Private schools may choose or volunteer but must follow applicable requirements and/or pay applicable fees and benefit is clear	Busing
+2	Private schools may receive parity	Reimbursed for services and admin costs
+3	All private schools protected/safeguarded	No accreditation is required for participation

- Some statutes, in effect, negate others, which could skew the results. For example, a state may have 20 different statutes each relating to different required forms while also having a single statute that allows for the reimbursement of private schools for all administrative costs associated with legislative requirements. When using the Regulatory Impact Scale, a notably negative categorical rating might exist when a net zero effect might be more accurate.
- Some states, such as Indiana and Ohio, allow private schools to be accredited or chartered, apart from any requirements that may exist in their school choice statutes. Therefore, the impact on a school that was already accredited or chartered before participating in the program and one that was not previously accredited or chartered will most likely be different. For most programs, this report assumes schools already were accredited or chartered. In Ohio, only schools with religious objection to government oversight can become non-chartered, otherwise, every school in Ohio must be chartered for their diplomas to be honored, not to mention receiving state support in many forms (see page 52).<sup>29</sup> For Indiana, separate analyses were run for each situation to illustrate the differences in results depending on whether or not a school is previously accredited (see pages 21, 22).
- There was an inconsistency of available statute information and sources. Very few states and jurisdictions make previous iterations of their statutes easily available to the public, and even those that do go back only so far. For example, although Wisconsin's legislature provides electronic iterations dating back to 1969, Indiana's legislature provides iterations of its statutes only back to 2009, and Ohio's legislature makes only the current iteration available online. Ohio is the norm in this case, as 18 of the 23 programs analyzed fell into the online, current-iteration-only category. Additionally, some states do not update their statutes on an annual basis. Keeping all of that in mind, information gaps are difficult to fill.

Even LexisNexis does not track every single syntax or language change or addition, so sometimes an educated guess had to be made concerning the year in which to allocate said change or addition.

- Legislative intent is difficult to determine. Some legislative conversations happen in negotiations over bill language of which even other legislators are unaware. If legislative intent were always clear, researchers would theoretically be able to more accurately rate the impact of the pertinent regulations.

The focus of this report is only on the state statutes that fall under the education and/or transportation titles affecting private school regulations, aside from any pertinent tax-related regulations for tax-credit scholarship programs. Many states, such as Indiana and Ohio, also have rules for private schools in their administrative code. The USDOE report does cover applicable administrative code and constitutional provisions; however, many are duplicative of the state statutes.<sup>30</sup>

In Ohio and other states, the statute leaves it to administrative rules to come up with the details of implementation, which may lead to onerous regulation. For example, Ohio statutes list many things voucher-accepting schools must provide if asked by the Ohio Department of Education (ODE). A few months ago, ODE suddenly announced that providers must enter every staff member (including janitors and kitchen staff) and their appropriate credentials into an online system. If they did not, a school could not accept a single voucher student. That took many hours and, in some cases, delayed or jeopardized approval of a provider.<sup>31</sup>

Regardless, any regulations not found in the education and transportation titles were not included because of time constraints. Had those regulations been included, they may have painted a more complete picture of the pre-choice and program-prompted legislative environments. Also, rules and regulations SGOs may place on schools are not covered.

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# PROGRAM ANALYSIS: REGULATION COUNTS AND IMPACT SCORES

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The structure of this section is relatively constant as the reader moves from program to program. For each analyzed program a brief overview is provided with recent vital statistics; a stacked bar chart shows (1) the number of private school statutory requirements existing before the enactment of the private school choice program (“Pre-Choice”) and (2) the number of current choice-based statutory regulations. A brief analytical snapshot using the Regulatory Impact Scale follows describing the growth (or stabilization) of regulations over time. Finally, the table depicts the program’s regulatory impact scores—the most critical columns being the “Program Score” (all regulations prompted by a choice program) and the “Pre-Choice + Program Score” (the overall state regulatory impact on private schools).



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# LOW-INCOME AND FAILING SCHOOLS VOUCHERS

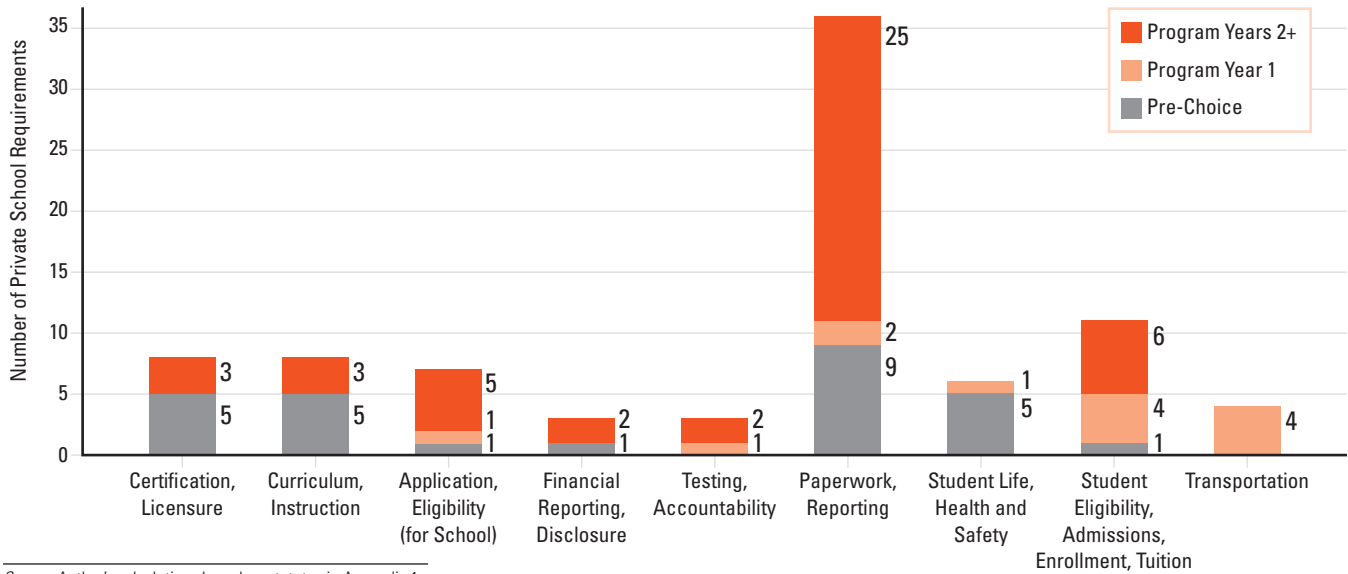
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School vouchers utilize funds typically expended by a school district for a student. Those reallocated funds pay partial or full tuition for a student’s private school. As of this writing, there are 23 voucher programs in 13 states and Washington, D.C., with more than 123,000 recipients nationwide.<sup>32</sup> Many of those programs are accessible only by low-income households or, in a few cases, by parents whose children are assigned to underperforming, or “failing,” public schools.

## Milwaukee Parental Choice Program • Wisconsin

Enacted in 1990, Milwaukee’s voucher program is the oldest school choice program in the modern age of education reform. It served 24,915 income-eligible full-time equivalent students across 110 schools in the 2013-14 school year.<sup>33</sup>

**FIGURE 1** Counts of Regulations on Private Schools by Time Period



Source: Author’s calculations based on statutes in Appendix 1.

The legislation creating Milwaukee’s voucher program brought about 55 regulations that fell into the nine categories, with only nine regulations created in the first year (see Figure 1).<sup>34</sup> Since then, more than half of the added school requirements fell into the Paperwork, Reporting category. The overall aggregate Program Score for the Milwaukee Parental Choice Program is -132 (see Table 1), the highest for all school choice programs analyzed, even though one category did not receive a score.

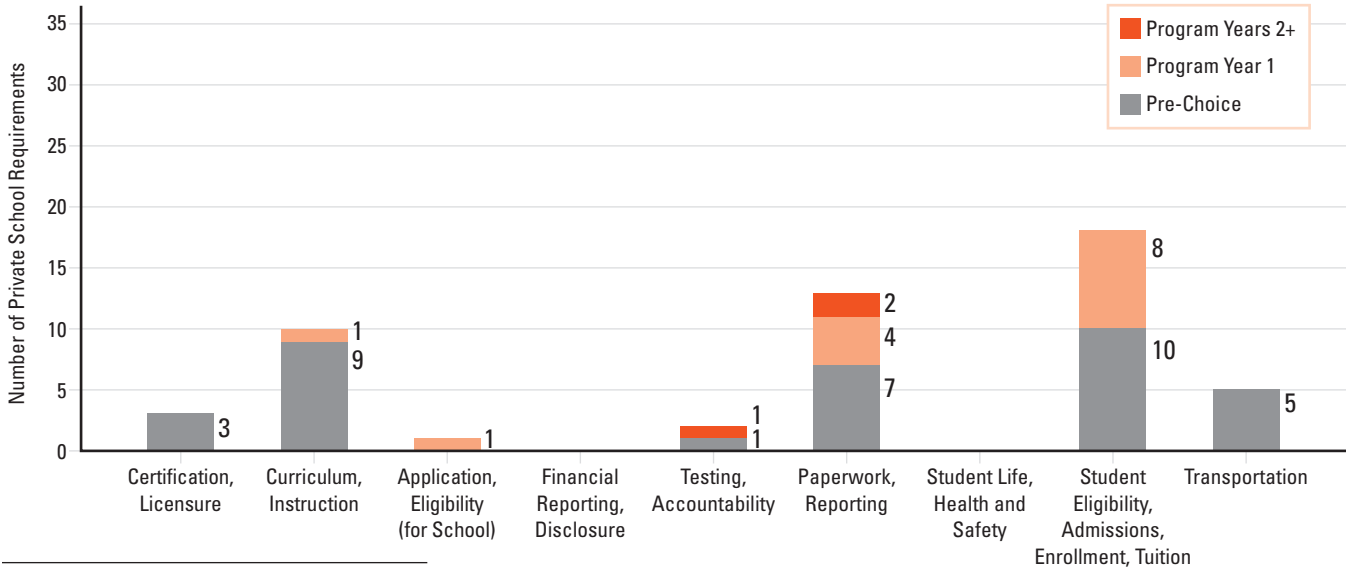
**TABLE 1** Impact Scores of Regulations on Private Schools  
Based on Author’s Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	+5	-		-9		<b>-9</b>	-4
Curriculum, Instruction	-15	-		-7		<b>-7</b>	-22
Application, Eligibility (for School)	0	-3		-15		<b>-18</b>	-18
Financial Reporting, Disclosure	-3	-		-6		<b>-6</b>	-9
Testing, Accountability	-	-3		-6		<b>-9</b>	-9
Paperwork, Reporting	-18	-6		-67		<b>-73</b>	-91
Student Life, Health and Safety	-7	-3		-		<b>-3</b>	-10
Student Eligibility, Admissions, Enrollment, Tuition	+3	-12		+5		<b>-7</b>	-4
Transportation	+2	-		-		<b>-</b>	+2
<b>TOTALS</b>	<b>-33</b>	<b>-27</b>		<b>-105</b>		<b>-132</b>	<b>-165</b>

## Cleveland Scholarship Program • Ohio

Enacted in 1995, Ohio’s oldest school choice program served 6,027 students across 35 Cleveland schools in the 2013-14 school year.<sup>35</sup>

**FIGURE 2** Counts of Regulations on Private Schools by Time Period



Source: Author’s calculations based on statutes in Appendix 1.

Cleveland’s voucher program prompted 17 regulations that fell into the nine categories, with 14 coming the first year alone (see Figure 2). Almost half of the added requirements fell into the Student Eligibility, Admissions, Enrollment, Tuition category; however, those regulations were relatively “light,” generating an impact score of -12 (see Table 2). Compare that with the -16 impact score received by the six regulations in Paperwork, Reporting. In total, Cleveland’s voucher program received a Program Score of -37 even though almost half of the categories did not receive scores.

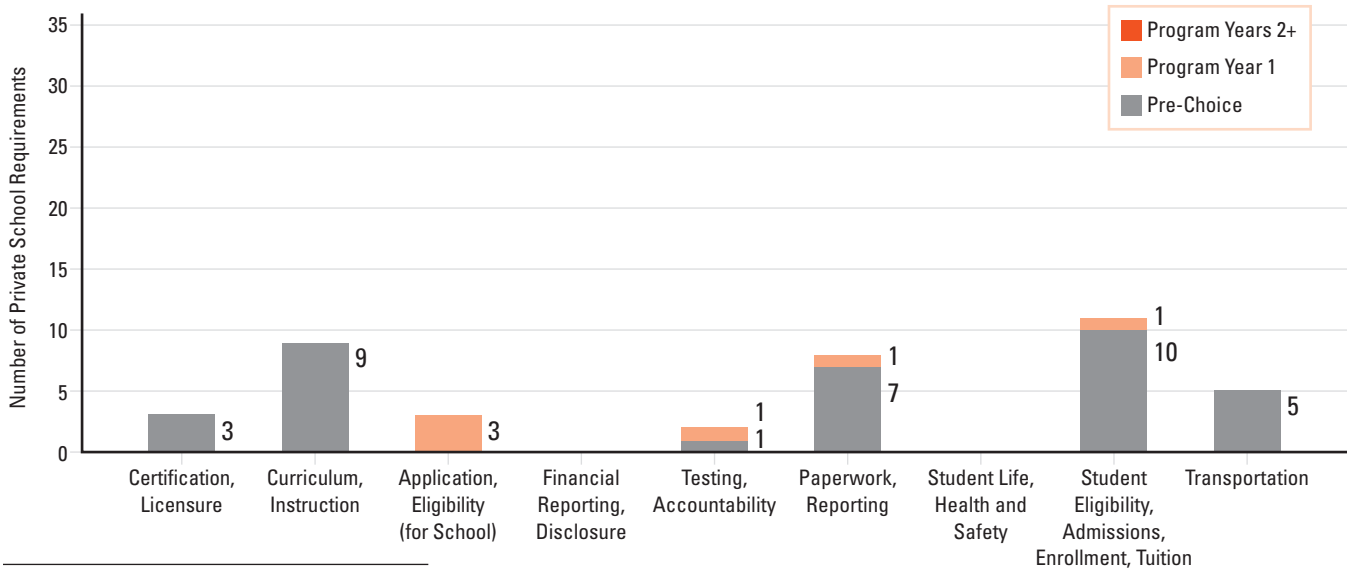
**TABLE 2** Impact Scores of Regulations on Private Schools  
Based on Author’s Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	-7	-	-	-	-	-7	-7
Curriculum, Instruction	+8	-3	-	-	-3	+5	+5
Application, Eligibility (for School)	-	-3	-	-	-3	-3	-3
Financial Reporting, Disclosure	-	-	-	-	-	-	-
Testing, Accountability	+2	-	-3	-	-3	-1	-1
Paperwork, Reporting	-6	-12	-4	-	-16	-22	-22
Student Life, Health and Safety	-	-	-	-	-	-	-
Student Eligibility, Admissions, Enrollment, Tuition	+3	-12	-	-	-12	-9	-9
Transportation	+8	-	-	-	-	+8	+8
<b>TOTALS</b>	<b>+8</b>	<b>-30</b>	<b>-7</b>	<b>-</b>	<b>-37</b>	<b>-29</b>	<b>-29</b>

## Educational Choice Scholarship Program • Ohio

Enacted in 2005, Ohio has a voucher program that caters to income-eligible students zoned to attend public schools that received one of the two lowest grades on the state report card or that earned a performance index grade in the lowest 10 percent of the state for two out of the last three years (while not receiving a declaration of “excellent” or “effective” in the most recent ranking).<sup>36</sup> The program served 16,999 students across 443 schools in the 2013-14 school year.<sup>37</sup>

**FIGURE 3** Counts of Regulations on Private Schools by Time Period



Source: Author’s calculations based on statutes in Appendix 1.

Ohio’s “EdChoice” voucher program created just six regulations that fell into the nine categories, all of them coming in the first year (see Figure 3). Half fell into the Application, Eligibility (for School) category—even those were not overly burdensome, producing an impact score of only -1 (see Table 3). EdChoice’s overall Program Score is -10, with more than half of the categories not receiving a score.

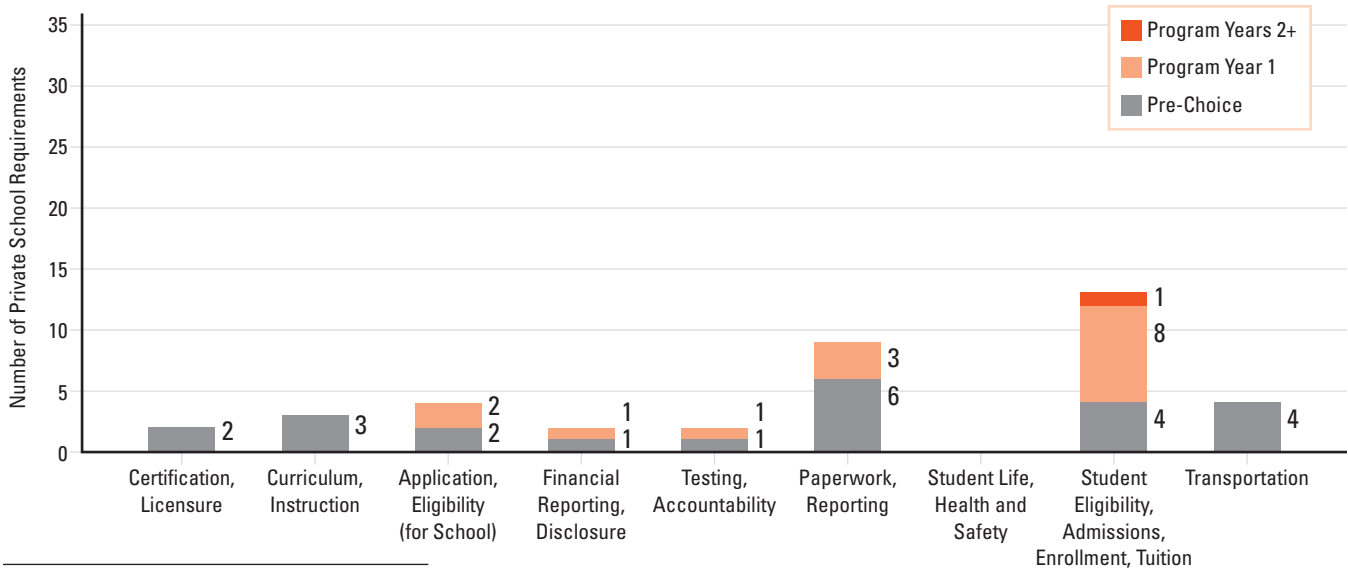
**TABLE 3** Impact Scores of Regulations on Private Schools  
Based on Author’s Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	-7	-		-		-	-7
Curriculum, Instruction	+8	-		-		-	+8
Application, Eligibility (for School)	-	-1		-		-1	-1
Financial Reporting, Disclosure	-	-		-		-	-
Testing, Accountability	+2	-3		-		-3	-1
Paperwork, Reporting	-6	-3		-		-3	-9
Student Life, Health and Safety	-	-		-		-	-
Student Eligibility, Admissions, Enrollment, Tuition	+3	-3		-		-3	0
Transportation	+8	-		-		-	+8
TOTALS	+8	-10		-		-10	-2

## Louisiana Scholarship Program • Louisiana

Louisiana’s first scholarship program, enacted in 2008, is similar to Ohio’s Educational Choice Scholarship Program in that it caters to students who attended a school that received a grade of C, D, or F in the previous year, a turnaround or unscored school, or a school in the Louisiana Recovery School District. The program served 6,775 income-eligible students across 126 schools in the 2013-14 school year.<sup>38</sup>

**FIGURE 4** Counts of Regulations on Private Schools by Time Period



Source: Author’s calculations based on statutes in Appendix 1.

Louisiana’s first statewide voucher program created 16 regulations that fell into the nine categories, with all but one coming in the first year (see Figure 4). More than half of the created regulations fell into the Student Eligibility, Admissions, Enrollment, Tuition category, which had an impact score of -18 (see Table 4). The Louisiana Scholarship Program received a Program Score of -33, with nearly half of the categories not receiving scores and one receiving a zero.

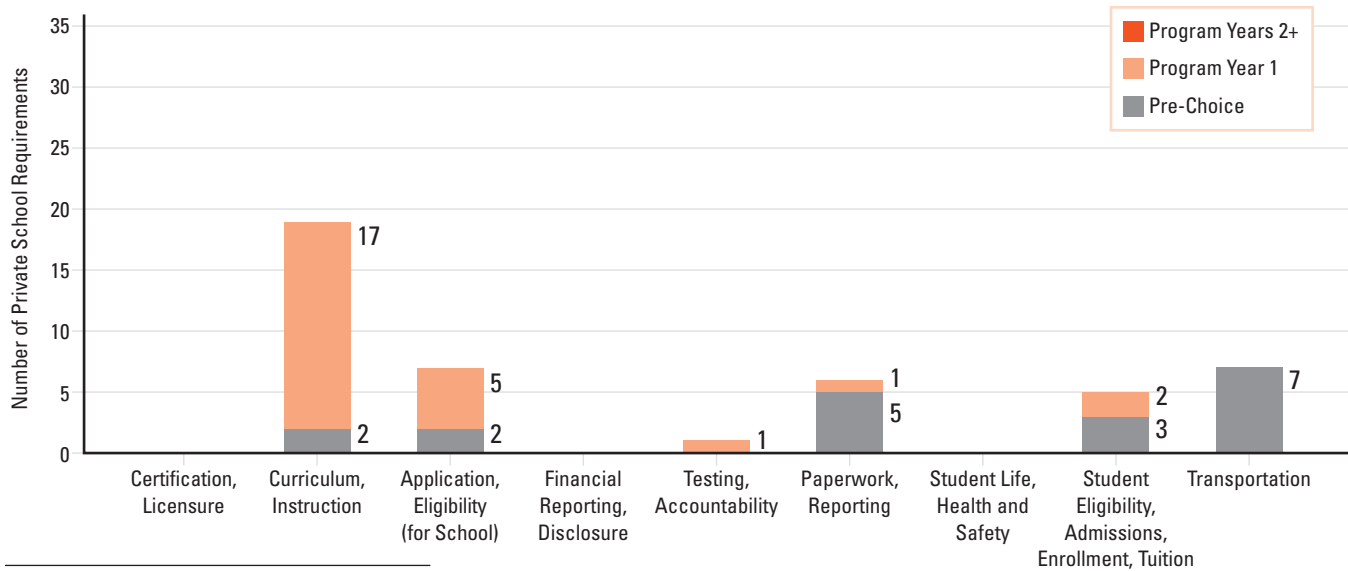
**TABLE 4** Impact Scores of Regulations on Private Schools  
Based on Author’s Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	-1	-	-	-	-	-1	-1
Curriculum, Instruction	0	-	-	-	-	0	0
Application, Eligibility (for School)	-6	0	-	-	<b>0</b>	-6	-6
Financial Reporting, Disclosure	0	-3	-	-	<b>-3</b>	-3	-3
Testing, Accountability	+2	-3	-	-	<b>-3</b>	-1	-1
Paperwork, Reporting	-7	-9	-	-	<b>-9</b>	-16	-16
Student Life, Health and Safety	-	-	-	-	-	-	-
Student Eligibility, Admissions, Enrollment, Tuition	-7	-19	+	+1	<b>-18</b>	-25	-25
Transportation	+6	-	-	-	-	+6	+6
<b>TOTALS</b>	<b>-13</b>	<b>-34</b>		<b>+1</b>		<b>-33</b>	<b>-46</b>

## Choice Scholarship Program • Indiana (Previously Unaccredited Schools)

Indiana’s vouchers, enacted in 2011, are the first statewide income-based model. The program served 19,809 income-eligible students across 313 schools in the 2013-14 school year.<sup>39</sup> Like some other states, Indiana allows private schools to be accredited voluntarily, which requires they adhere to many of the same regulations public schools follow. Accordingly, the “Pre-Choice” regulatory environment and the Program Scores are strikingly different for schools unaccredited prior to joining the Choice Scholarship Program and those that were already voluntarily accredited.

**FIGURE 5** Counts of Regulations on Private Schools by Time Period



Source: Author’s calculations based on statutes in Appendix 1.

Indiana’s voucher program created 26 regulations in the nine categories, all of them coming in the first year (see Figure 5). For previously unaccredited schools, nearly two-thirds of the created regulations affected the Curriculum, Instruction category, generating an impact score of -39 (see Table 5). The overall Program Score for Indiana’s Choice Scholarships is -54 for previously unaccredited schools, although nearly half of the categories did not receive a score.

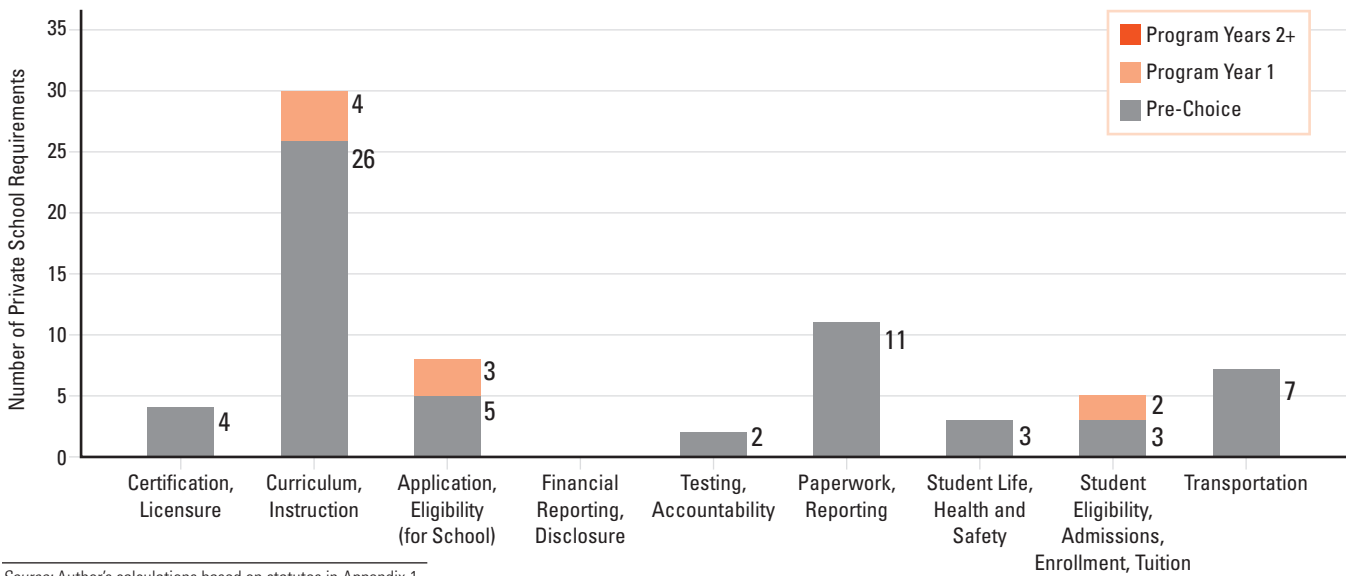
**TABLE 5** Impact Scores of Regulations on Private Schools  
Based on Author’s Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	-	-		-		-	-
Curriculum, Instruction	+3	-39		-		<b>-39</b>	-36
Application, Eligibility (for School)	0	-5		-		<b>-5</b>	-5
Financial Reporting, Disclosure	-	-		-		-	-
Testing, Accountability	-	-3		-		<b>-3</b>	-3
Paperwork, Reporting	-7	-3		-		<b>-3</b>	-10
Student Life, Health and Safety	-	-		-		-	-
Student Eligibility, Admissions, Enrollment, Tuition	-5	-4		-		<b>-4</b>	-9
Transportation	-5	-		-		-	-5
<b>TOTALS</b>	<b>-14</b>	<b>-54</b>		<b>-</b>		<b>-54</b>	<b>-68</b>

## Choice Scholarship Program • Indiana (Previously Accredited Schools)

The majority of private school students (81 percent) in Indiana attend accredited private schools, which is why the overall Program Score for previously accredited schools is used in the tables following this section.<sup>40</sup> These schools already were following many of the rules the Choice Scholarship Program required unaccredited schools to adopt.

**FIGURE 6** Counts of Regulations on Private Schools by Time Period



Source: Author's calculations based on statutes in Appendix 1.

For accredited private schools, Indiana's voucher program created nine regulations that fell into the nine categories, all of them coming in the first year; nearly half fell into Curriculum, Instruction (see Figure 6). Still, that produced an impact score of only zero, compared to the impact score of -39 for the previously unaccredited schools. The Program Score for the previously accredited schools in the Choice Scholarship Program is -5 (compared with -54 for the previously unaccredited schools). Two-thirds of the categories did not receive a score and one received a zero.

**TABLE 6** Impact Scores of Regulations on Private Schools  
Based on Author's Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	-7	-		-		-	-7
Curriculum, Instruction	-62	0		-		<b>0</b>	-62
Application, Eligibility (for School)	-5	-1		-		<b>-1</b>	-6
Financial Reporting, Disclosure	-	-		-		-	-
Testing, Accountability	-2	-		-		-	-2
Paperwork, Reporting	-21	-		-		-	-21
Student Life, Health and Safety	-9	-		-		-	-9
Student Eligibility, Admissions, Enrollment, Tuition	-5	-4		-		<b>-4</b>	-9
Transportation	-5	-		-		-	-5
<b>TOTALS</b>	<b>-116</b>	<b>-5</b>		<b>-</b>		<b>-5</b>	<b>-121</b>

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# VOUCHERS FOR STUDENTS WITH SPECIAL NEEDS

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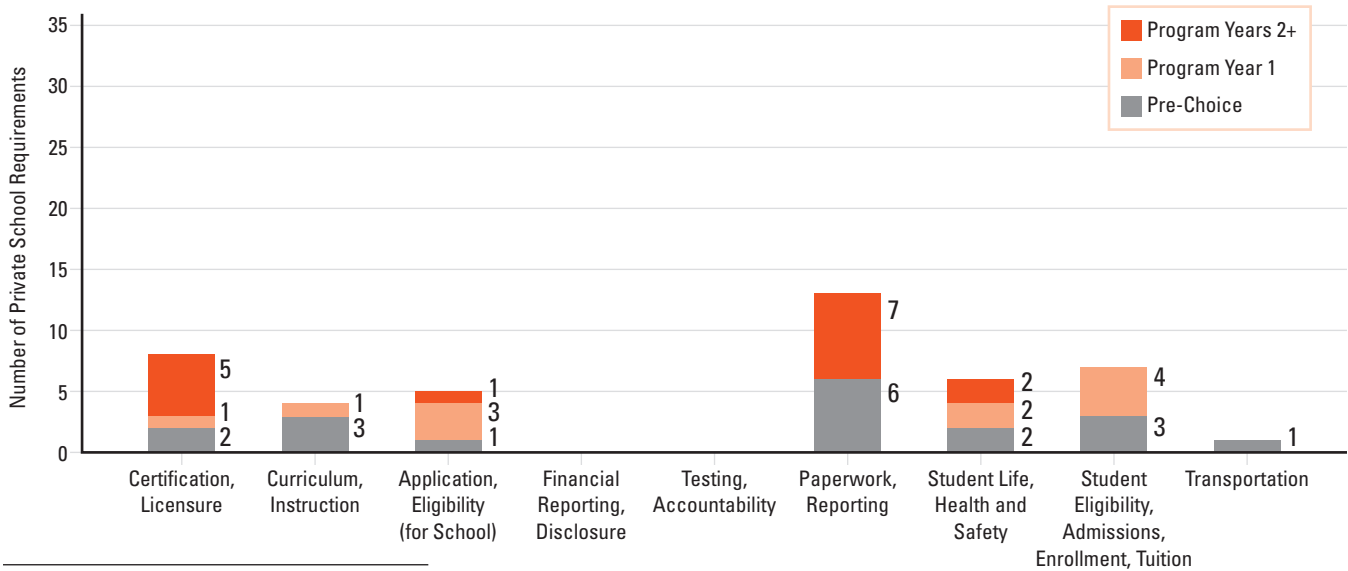
Although many vouchers limit participation to students whose families' income falls below a certain level or those zoned to attend "failing" public schools, there is another type of voucher specifically designated to provide funds to the parents of students with special needs. The key difference between this population and the aforementioned groups is education dollars for students with special needs are able to come from parts of the school funding formulas and state school finance laws their peers cannot access. As of this writing, there are 10 voucher programs for students with special needs in eight states with more than 36,000 participants.<sup>41</sup>



## John M. McKay Scholarships for Students with Disabilities Program • Florida

In 1999, Florida enacted legislation that launched what was then a pilot program providing vouchers to students with special needs. The John M. McKay Scholarships for Students with Disabilities Program was the first of its kind in the country and remains the model for similar programs in other states. As of fall 2013, Florida’s voucher for students with special needs served 27,040 students across 1,226 schools.<sup>42</sup>

**FIGURE 7** Counts of Regulations on Private Schools by Time Period



Source: Author’s calculations based on statutes in Appendix 1.

Overall, legislation for Florida’s voucher program for students with special needs created 26 regulations in the nine categories with 11 of them coming in the first year (see Figure 7). Just more than a quarter of the regulations dealt with Paperwork, Reporting, which had an impact score of -15 (see Table 7). The John M. McKay Scholarships received an overall Program Score of -60, with one-third of the categories not receiving a score.

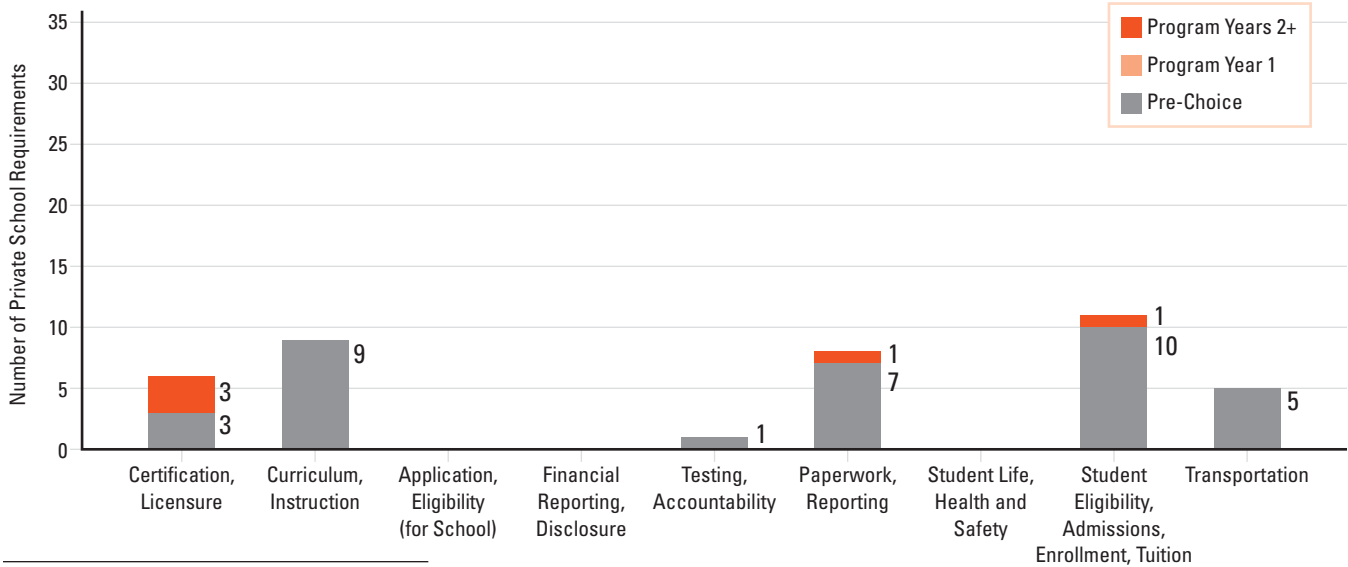
**TABLE 7** Impact Scores of Regulations on Private Schools  
Based on Author’s Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	-2	-3		-11		<b>-14</b>	-16
Curriculum, Instruction	0	-3		-		<b>-3</b>	-3
Application, Eligibility (for School)	+3	-3		-3		<b>-6</b>	-3
Financial Reporting, Disclosure	-	-		-		-	-
Testing, Accountability	-	-		-		-	-
Paperwork, Reporting	-11	-		-15		<b>-15</b>	-26
Student Life, Health and Safety	+2	-6		-6		<b>-12</b>	-10
Student Eligibility, Admissions, Enrollment, Tuition	-9	-10		-		<b>-10</b>	-19
Transportation	0	-		-		-	0
<b>TOTALS</b>	<b>-17</b>	<b>-25</b>		<b>-35</b>		<b>-60</b>	<b>-77</b>

## Autism Scholarship Program • Ohio

Enacted in 2003, Ohio’s first voucher program that caters to students with special needs served 2,496 students across 267 schools in the 2013-14 school year.<sup>43</sup> It is the nation’s first and only school choice program designed specifically for children with autism.

**FIGURE 8** Counts of Regulations on Private Schools by Time Period



Source: Author’s calculations based on statutes in Appendix 1.

Ohio’s voucher program for students with autism created five regulations in the nine categories; none of them came in the first year (see Figure 8). Most choice-related regulations fell into the Certification, Licensure category; though that generated an impact score of only -1 (see Table 8). Ohio’s Autism Scholarship Program received a -5 as its Program Score, although two-thirds of the categories did not receive a score.

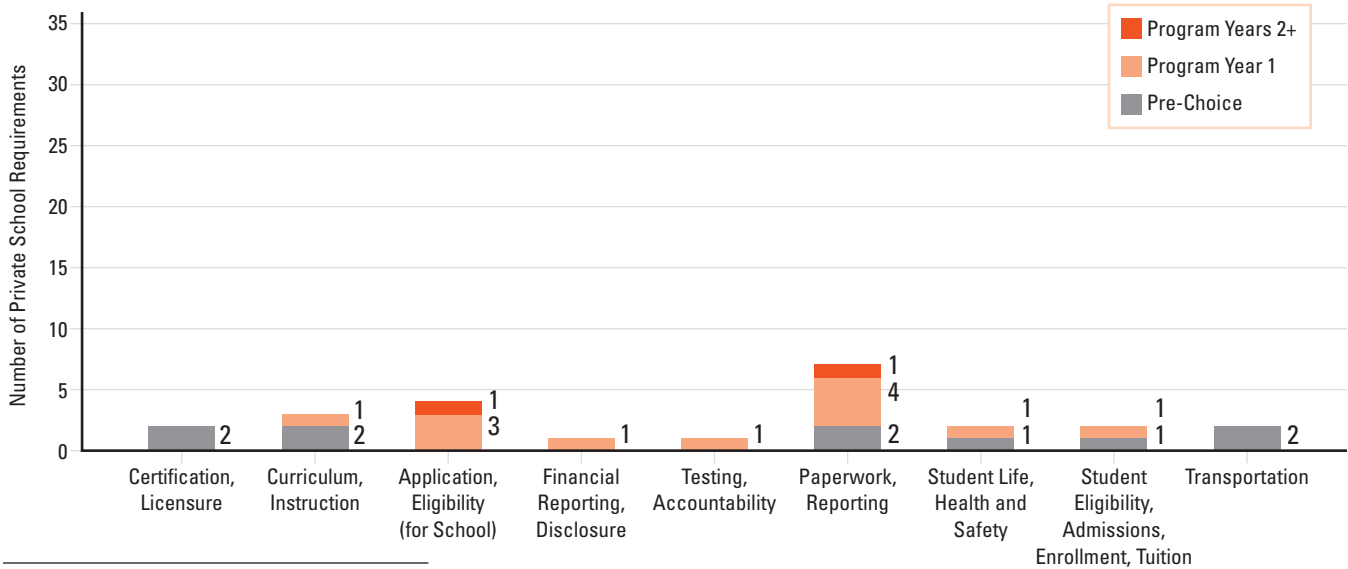
**TABLE 8** Impact Scores of Regulations on Private Schools  
Based on Author’s Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	-7	-		-1		-1	-8
Curriculum, Instruction	+8	-		-		-	+8
Application, Eligibility (for School)	-	-		-		-	-
Financial Reporting, Disclosure	-	-		-		-	-
Testing, Accountability	+2	-		-		-	+2
Paperwork, Reporting	-6	-		-1		-1	-7
Student Life, Health and Safety	-	-		-		-	-
Student Eligibility, Admissions, Enrollment, Tuition	+3	-		-3		-3	0
Transportation	+8	-		-		-	+8
TOTALS	+8	-		-5		-5	+3

## Carson Smith Special Needs Scholarship Program • Utah

Utah’s only school choice program, enacted in 2005, served 714 students with special needs across 40 schools in the 2012-13 school year.<sup>44</sup>

**FIGURE 9** Counts of Regulations on Private Schools by Time Period



Source: Author’s calculations based on statutes in Appendix 1.

Utah’s Carson Smith voucher program prompted 14 regulations in the nine categories, with all but two starting in the first year (see Figure 9). More than one-third of the created regulations were for Paperwork, Reporting, which produced an impact score of -15 (see Table 9). The Program Score for the Carson Smith Special Needs Scholarship Program is -32; nearly a third of the categories did not receive scores.

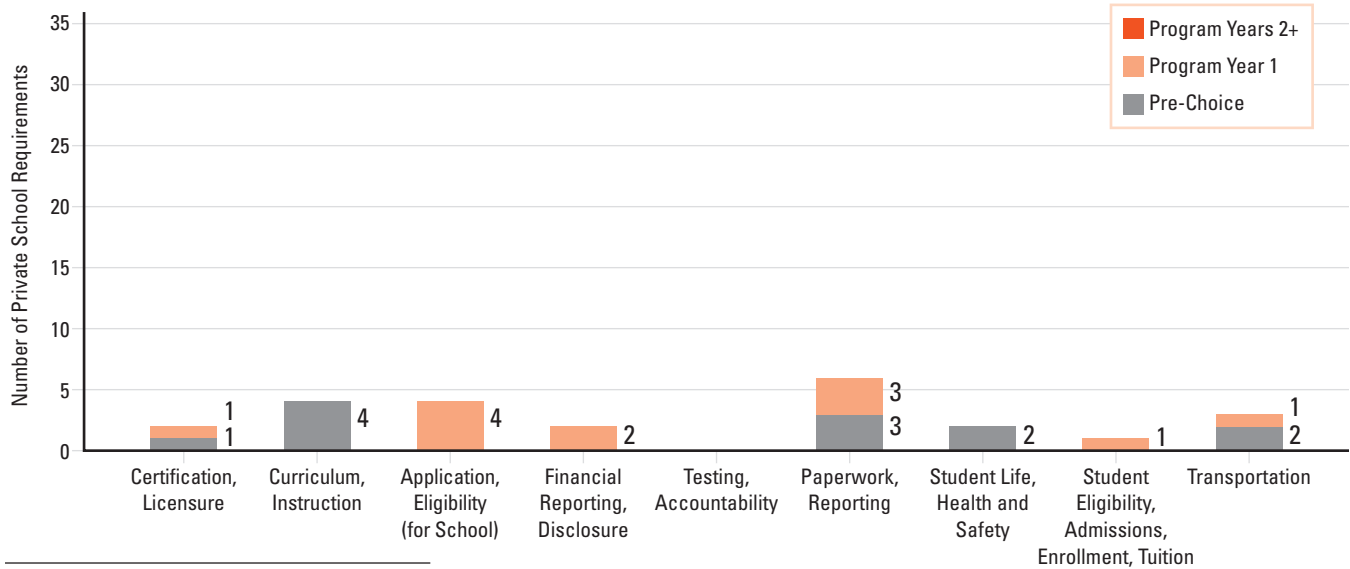
**TABLE 9** Impact Scores of Regulations on Private Schools  
Based on Author’s Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	-6	-	-	-	-	-6	-6
Curriculum, Instruction	-2	-3	-	-	-3	-5	-5
Application, Eligibility (for School)	-	-3	-1	-4	-4	-4	-4
Financial Reporting, Disclosure	-	-1	-	-1	-1	-1	-1
Testing, Accountability	-	-3	-	-3	-3	-3	-3
Paperwork, Reporting	-6	-12	-3	-15	-21	-21	-21
Student Life, Health and Safety	+1	-3	-	-3	-2	-2	-2
Student Eligibility, Admissions, Enrollment, Tuition	-3	-3	-	-3	-6	-6	-6
Transportation	0	-	-	0	0	0	0
<b>TOTALS</b>	<b>-16</b>	<b>-28</b>	<b>-4</b>	<b>-32</b>	<b>-48</b>	<b>-48</b>	<b>-48</b>

## Georgia Special Needs Scholarship Program • Georgia

Georgia’s first school choice program, enacted in 2007, served 3,416 students with special needs across 245 schools in the 2013-14 school year.<sup>45</sup>

**FIGURE 10** Counts of Regulations on Private Schools by Time Period



Source: Author’s calculations based on statutes in Appendix 1.

All of the regulations accompanying Georgia’s voucher program for students with special needs came in the first year—12 in the nine categories (see Figure 10). One-third focused on Application, Eligibility for the school, having an impact score of -6 (see Table 10). Overall, the Georgia Special Needs Scholarship Program received a Program Score of -22, with one-third of the categories not receiving a score. This is the first program in which a regulation category received a positive Program Score (+1 for Transportation).

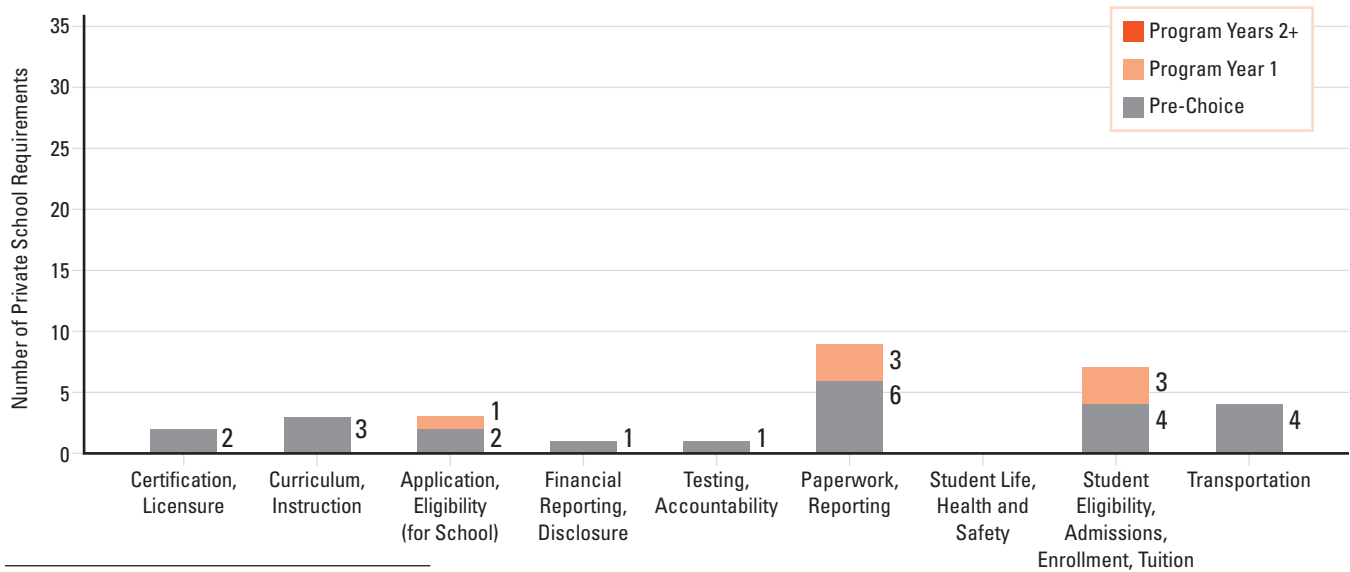
**TABLE 10** Impact Scores of Regulations on Private Schools  
Based on Author’s Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	+1	-3		-		<b>-3</b>	-2
Curriculum, Instruction	-7	-		-		-	-7
Application, Eligibility (for School)	-	-6		-		<b>-6</b>	-6
Financial Reporting, Disclosure	-	-2		-		<b>-2</b>	-2
Testing, Accountability	-	-		-		-	-
Paperwork, Reporting	-5	-9		-		<b>-9</b>	-14
Student Life, Health and Safety	-2	-		-		-	-2
Student Eligibility, Admissions, Enrollment, Tuition	-	-3		-		<b>-3</b>	-3
Transportation	0	+1		-		<b>+1</b>	+1
<b>TOTALS</b>	<b>-13</b>	<b>-22</b>		<b>-</b>		<b>-22</b>	<b>-35</b>

## School Choice Program for Certain Students with Exceptionalities • Louisiana

Louisiana’s voucher program for students with special needs, enacted in 2010, served 224 students across 17 schools in the 2013-14 school year.<sup>46</sup>

**FIGURE 11** Counts of Regulations on Private Schools by Time Period



Source: Author’s calculations based on statutes in Appendix 1.

Louisiana’s voucher program for students with special needs created seven regulations in the nine categories, all of them coming in the first year (see Figure 11). All but one were in the Paperwork, Reporting category and Student Eligibility, Admissions, Enrollment, Tuition category. Each had an impact score of -9 (see Table 11). The School Choice Program for Certain Students with Exceptionalities received a Program Score of -21, although two-thirds of the categories did not receive scores.

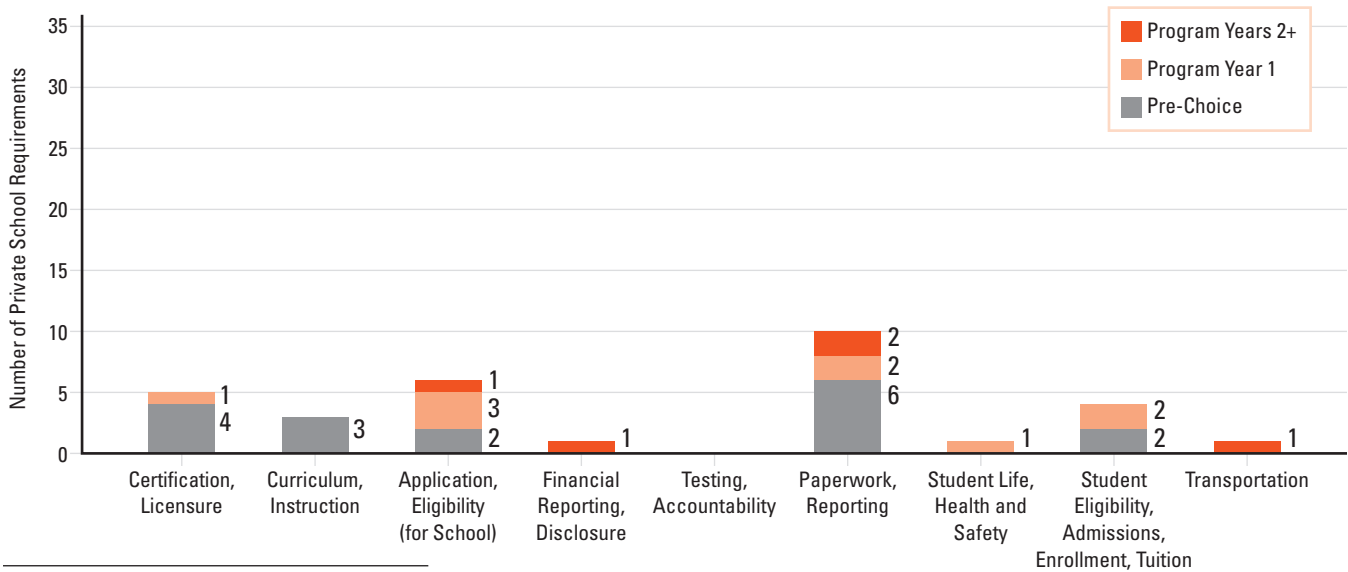
**TABLE 11** Impact Scores of Regulations on Private Schools  
Based on Author’s Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	-1	-		-		-	-1
Curriculum, Instruction	0	-		-		-	0
Application, Eligibility (for School)	-6	-3		-		-3	-9
Financial Reporting, Disclosure	0	-		-		-	0
Testing, Accountability	+2	-		-		-	+2
Paperwork, Reporting	-7	-9		-		-9	-16
Student Life, Health and Safety	-	-		-		-	-
Student Eligibility, Admissions, Enrollment, Tuition	-7	-9		-		-9	-16
Transportation	+6	-		-		-	+6
TOTALS	-13	-21		-		-21	-34

## Lindsey Nicole Henry Scholarships for Students with Disabilities • Oklahoma

Oklahoma’s first school choice program, enacted in 2010, served 282 students with special needs across 33 schools in the 2013-14 school year.<sup>47</sup>

**FIGURE 12** Counts of Regulations on Private Schools by Time Period



Source: Author’s calculations based on statutes in Appendix 1.

Oklahoma’s voucher program has prompted 14 regulations in the nine categories, almost two-thirds of which were created in the first year (see Figure 12). More than a quarter fall in the Application, Eligibility (for School) and Paperwork, Reporting categories, generating impact scores of -6 and -5, respectively (see Table 12). Overall, the Program Score for the Lindsey Nicole Henry Scholarships for Students with Disabilities program is -23, with nearly a third of the categories not receiving a score. This is the second program in which the Transportation category received a positive impact score (+1).

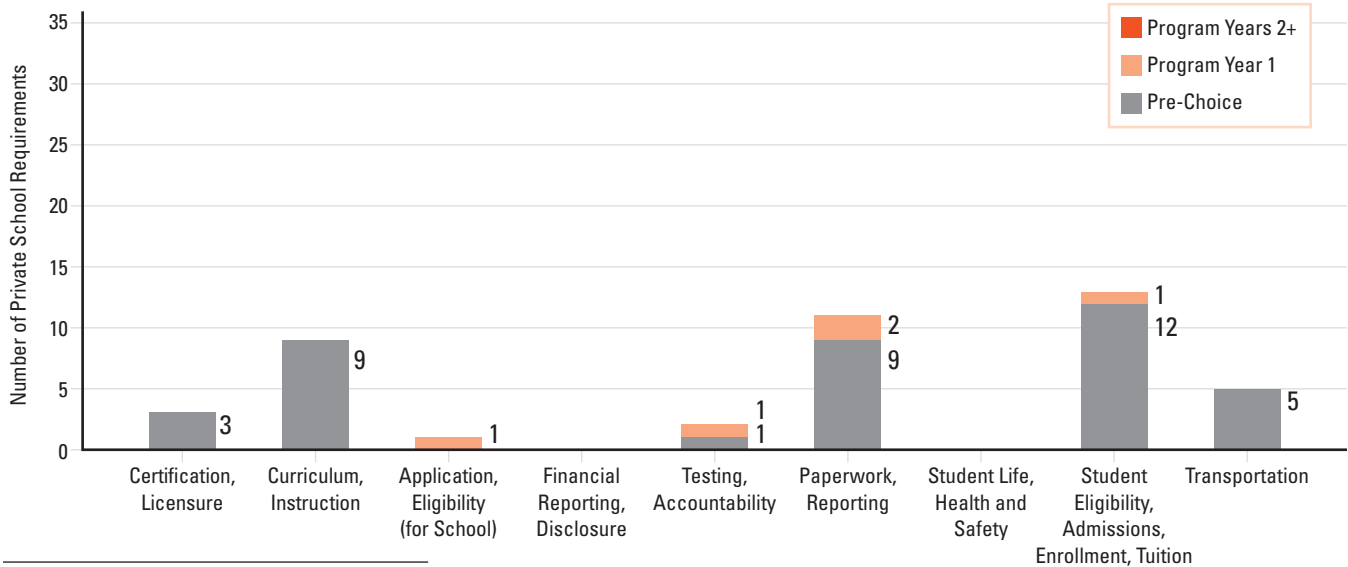
**TABLE 12** Impact Scores of Regulations on Private Schools  
Based on Author’s Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	-8	-3		-		-3	-11
Curriculum, Instruction	-9	-		-		-	-9
Application, Eligibility (for School)	+1	-9		+3		-6	-5
Financial Reporting, Disclosure	-	-		-1		-1	-1
Testing, Accountability	-	-		-		-	-
Paperwork, Reporting	-12	-1		-4		-5	-17
Student Life, Health and Safety	-	-3		-		-3	-3
Student Eligibility, Admissions, Enrollment, Tuition	-2	-6		-		-6	-8
Transportation	-	-		+1		+1	+1
TOTALS	-30	-22		-1		-23	-53

## Jon Peterson Special Needs Scholarship Program • Ohio

In 2011, a second voucher program for students with special needs was launched in Ohio. That program served 2,204 students in the 2013-14 school year.<sup>48</sup>

**FIGURE 13** Counts of Regulations on Private Schools by Time Period



Source: Author's calculations based on statutes in Appendix 1.

Ohio's other voucher program for students with special needs created five regulations in the nine categories, all of them coming the first year (see Figure 13). Nearly half affected the Paperwork, Reporting category, producing an impact score of -6 (see Table 13). Overall, the Jon Peterson Special Needs Scholarship Program received a -15 for its Program Score, although more than half of the categories did not receive scores.

**TABLE 13** Impact Scores of Regulations on Private Schools  
Based on Author's Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	-7	-	-	-	-	-7	-7
Curriculum, Instruction	+8	-	-	-	-	+8	+8
Application, Eligibility (for School)	-	-3	-	-	-3	-3	-3
Financial Reporting, Disclosure	-	-	-	-	-	-	-
Testing, Accountability	+2	-3	-	-	-3	-1	-1
Paperwork, Reporting	-9	-6	-	-	-6	-15	-15
Student Life, Health and Safety	-	-	-	-	-	-	-
Student Eligibility, Admissions, Enrollment, Tuition	+4	-3	-	-	-3	+1	+1
Transportation	+8	-	-	-	-	+8	+8
<b>TOTALS</b>	<b>+6</b>	<b>-15</b>				<b>-15</b>	<b>-9</b>

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# TAX-CREDIT SCHOLARSHIPS

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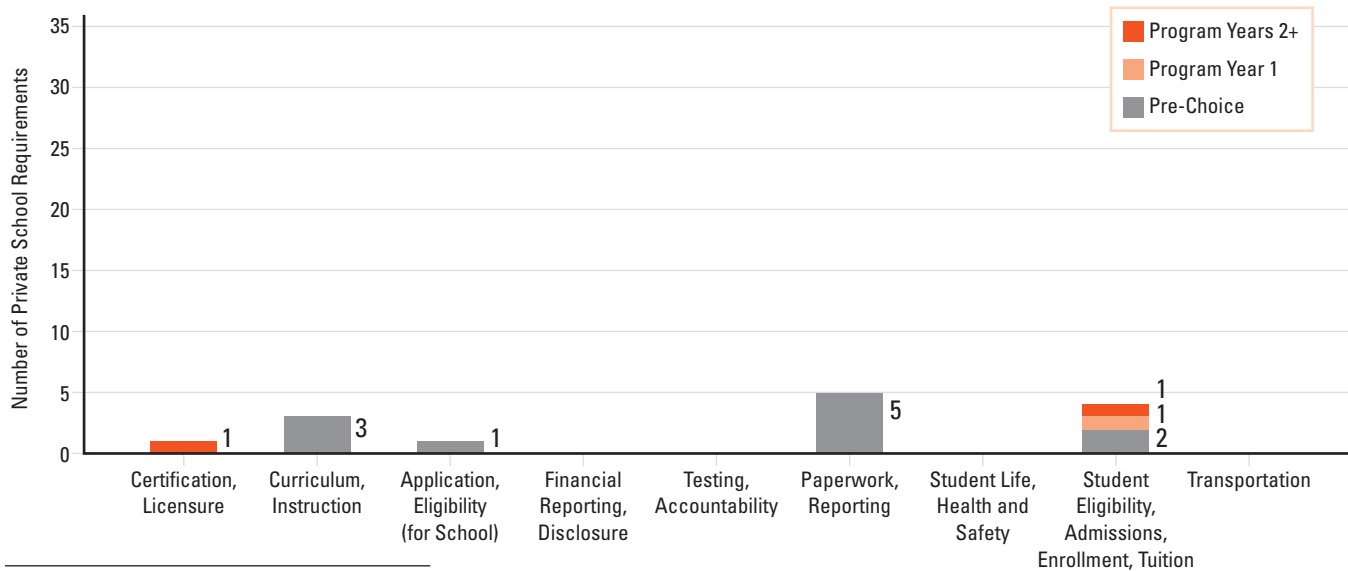
Tax-credit scholarships, as described in the introduction, utilize funds donated to scholarship-giving nonprofits by taxpayers in exchange for full or partial tax credits. These funds provide scholarships that pay partial or full tuition for a student's private school. As of this writing, there are 18 tax-credit scholarship programs in 14 states with more than 178,000 recipients nationwide.<sup>49</sup>



## Original Individual Income Tax Credit Scholarship Program • Arizona

The first tax-credit scholarship program in the nation—started in Arizona—is also the only statewide tuition-providing school choice program available to every student, regardless of prior year public enrollment or family income level. Arizona’s original tax-credit scholarship program, enacted in 1997, awarded 25,684 scholarships to students across 337 schools in the 2012-13 school year.<sup>50</sup>

**FIGURE 14** Counts of Regulations on Private Schools by Time Period



Source: Author’s calculations based on statutes in Appendix 1.

Arizona’s first tax-credit scholarship created three regulations across the nine categories, with only one created in the first year (see Figure 14). The rest fell into the Student Eligibility, Admissions, Enrollment, Tuition category, which had an impact score of -4 (see Table 14). Overall, Arizona’s Original Individual Income Tax Credit Scholarship Program received a Program Score of -7, with more than two-thirds of the categories not receiving scores.

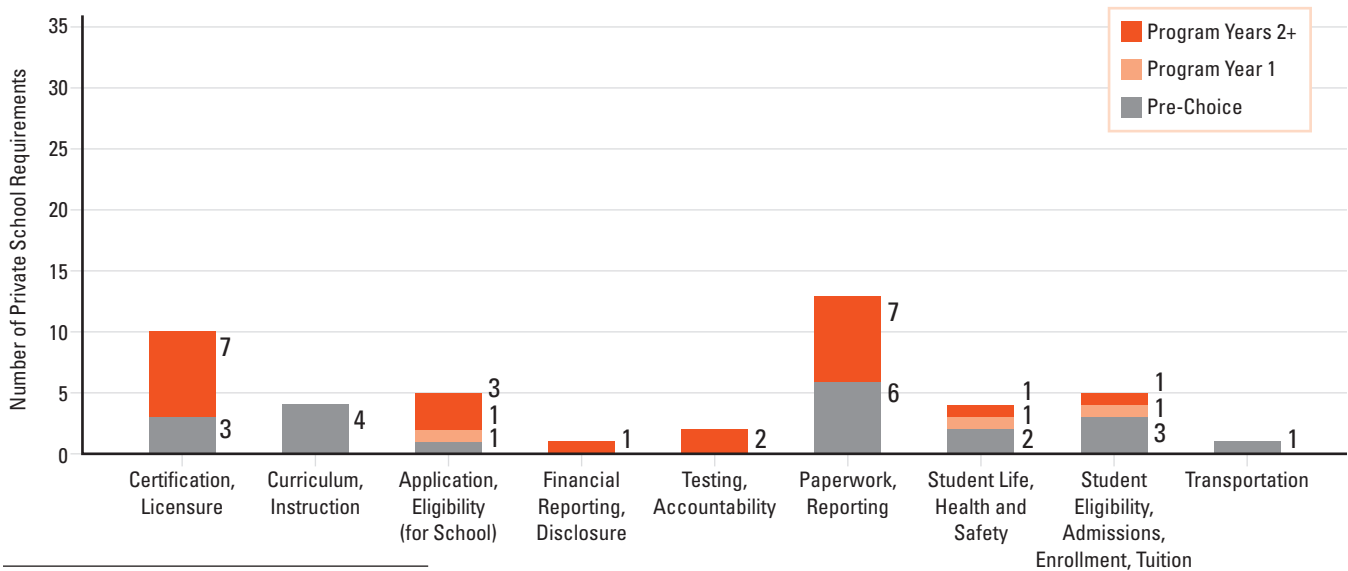
**TABLE 14** Impact Scores of Regulations on Private Schools  
Based on Author’s Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	-	-		-3		<b>-3</b>	-3
Curriculum, Instruction	-5	-		-		-	-5
Application, Eligibility (for School)	+3	-		-		-	+3
Financial Reporting, Disclosure	-	-		-		-	-
Testing, Accountability	-	-		-		-	-
Paperwork, Reporting	-11	-		-		-	-11
Student Life, Health and Safety	-	-		-		-	-
Student Eligibility, Admissions, Enrollment, Tuition	-6	-3		-1		<b>-4</b>	-10
Transportation	-	-		-		-	-
<b>TOTALS</b>	<b>-19</b>	<b>-3</b>		<b>-4</b>		<b>-7</b>	<b>-26</b>

## Florida Tax Credit Scholarship Program • Florida

As of fall 2013, Florida’s tax-credit scholarship program, enacted in 2001, served 59,674 income-eligible students across 1,414 schools.<sup>51</sup> It has the highest enrollment of all tuition-based school choice programs.

**FIGURE 15** Counts of Regulations on Private Schools by Time Period



Source: Author’s calculations based on statutes in Appendix 1.

Florida’s tax-credit scholarship program created 25 regulations in the nine categories; only three of those came the first year (see Figure 15). Many regulations focus on the Paperwork, Reporting and Certification, Licensure categories, each of which generated an impact score of -15 (see Table 15). Overall, the Program Score for Florida’s tax-credit scholarships is -58, although two of the categories did not receive scores.

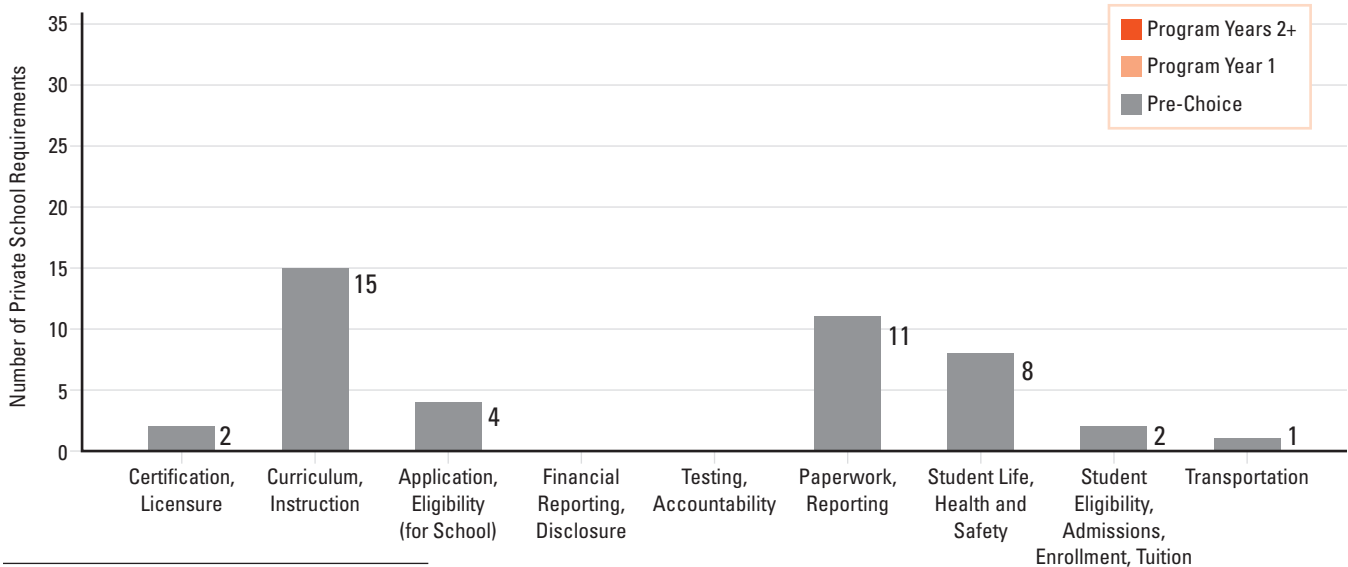
**TABLE 15** Impact Scores of Regulations on Private Schools  
Based on Author’s Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	-1	-		-15		<b>-15</b>	-16
Curriculum, Instruction	+2	-		-		-	+2
Application, Eligibility (for School)	+3	-3		-9		<b>-12</b>	-9
Financial Reporting, Disclosure	-	-		-3		<b>-3</b>	-3
Testing, Accountability	-	-		-1		<b>-1</b>	-1
Paperwork, Reporting	-11	-		-15		<b>-15</b>	-26
Student Life, Health and Safety	+2	-3		-3		<b>-6</b>	-4
Student Eligibility, Admissions, Enrollment, Tuition	-9	-3		-3		<b>-6</b>	-15
Transportation	0	-		-		-	0
<b>TOTALS</b>	<b>-14</b>	<b>-9</b>		<b>-49</b>		<b>-58</b>	<b>-72</b>

## Educational Improvement Tax Credit Program • Pennsylvania

Enacted in 2001, Pennsylvania’s first tax-credit scholarship program awarded 59,218 scholarships in the 2012-13 school year.<sup>52</sup> A second, similar program was enacted in 2012 to serve students living in a “low-achieving” school zone.<sup>53</sup>

**FIGURE 16** Counts of Regulations on Private Schools by Time Period



Source: Author’s calculations based on statutes in Appendix 1.

Pennsylvania’s flagship tax-credit scholarship program is one of three school choice programs analyzed that did not bring any new regulations on private schools (see Figure 16). Overall, as a result, the Program Score for the Educational Improvement Tax Credit is zero (see Table 16). The program received a score of zero instead of no score because the existence of a program equates to a baseline score of zero.

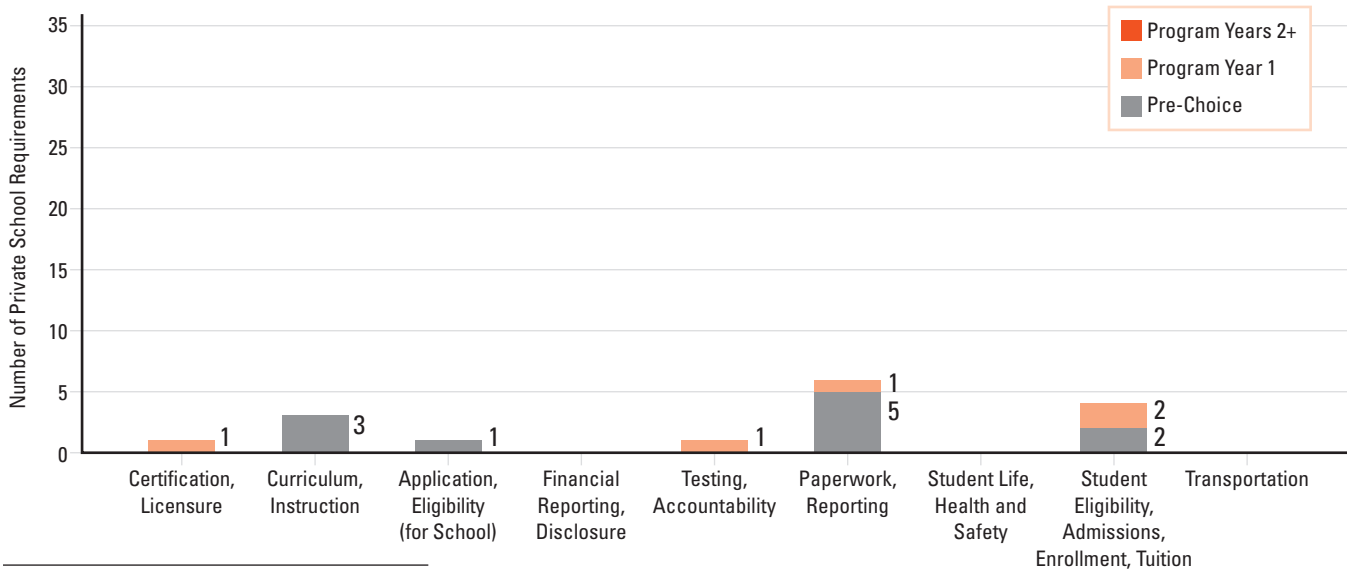
**TABLE 16** Impact Scores of Regulations on Private Schools  
Based on Author’s Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	-2	-		-		-	-2
Curriculum, Instruction	-21	-		-		-	-21
Application, Eligibility (for School)	-12	-		-		-	-12
Financial Reporting, Disclosure	-	-		-		-	-
Testing, Accountability	-	-		-		-	-
Paperwork, Reporting	-31	-		-		-	-31
Student Life, Health and Safety	-1	-		-		-	-1
Student Eligibility, Admissions, Enrollment, Tuition	-4	-		-		-	-4
Transportation	-1	-		-		-	-1
<b>TOTALS</b>	<b>-72</b>	<b>-</b>		<b>-</b>		<b>0</b>	<b>-72</b>

# Low-Income Corporate Income Tax Credit Scholarship Program • Arizona

In 2006, Arizona enacted a second tax-credit scholarship program, this one for low-income students. In the 2012-13 school year, 11,653 scholarships were awarded to income-eligible students across 216 schools.<sup>54</sup>

**FIGURE 17** Counts of Regulations on Private Schools by Time Period



Source: Author's calculations based on statutes in Appendix 1.

Arizona's first corporate income tax-credit scholarship program created five regulations in the nine categories, all coming in the first year (see Figure 17). Student Eligibility, Admissions, Enrollment, Tuition was the category that received the most attention, producing an impact score of -4 (see Table 17). Overall, the Program Score for the Low-Income Corporate Income Tax Credit Scholarship Program is -7, with more than half of the categories not receiving a score and two receiving scores of zero.

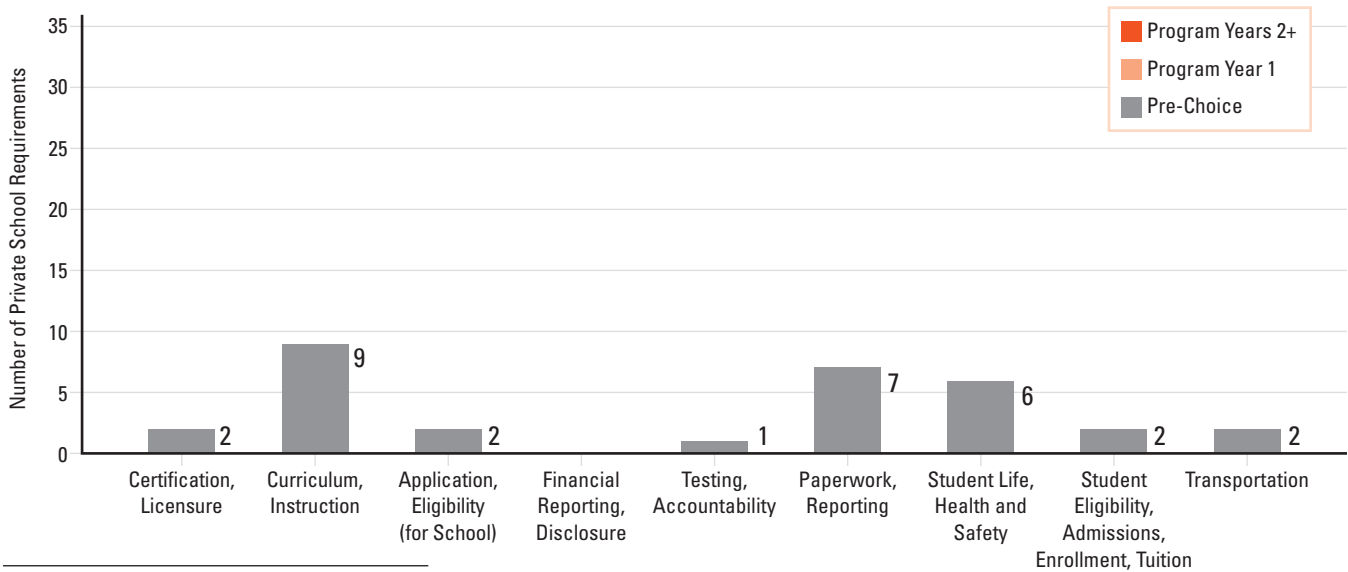
**TABLE 17** Impact Scores of Regulations on Private Schools  
Based on Author's Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	-	-3		-		<b>-3</b>	-3
Curriculum, Instruction	-5	-		-		-	-5
Application, Eligibility (for School)	+3	-		-		-	+3
Financial Reporting, Disclosure	-	-		-		-	-
Testing, Accountability	-	-3		+3		<b>0</b>	-
Paperwork, Reporting	-11	-3		+3		<b>0</b>	-11
Student Life, Health and Safety	-	-		-		-	-
Student Eligibility, Admissions, Enrollment, Tuition	-6	-4		-		<b>-4</b>	-10
Transportation	-	-		-		-	-
<b>TOTALS</b>	<b>-19</b>	<b>-13</b>		<b>+6</b>		<b>-7</b>	<b>-26</b>

# Tax Credits for Contributions to Scholarship Organizations • Rhode Island

Rhode Island’s only school choice program, enacted in 2006, awarded 382 scholarships to income-eligible students across 54 schools in the 2012-13 school year.<sup>55</sup>

**FIGURE 18** Counts of Regulations on Private Schools by Time Period



Source: Author’s calculations based on statutes in Appendix 1.

Rhode Island’s tax-credit scholarship program is the second of three school choice programs analyzed that did not create any new regulations on private schools (see Figure 18). As a result, the overall Program Score for the Tax Credits for Contributions to Scholarship Organizations is zero (see Table 18). The program receives a score of zero instead of no score because the existence of a program equates to a baseline score of zero.

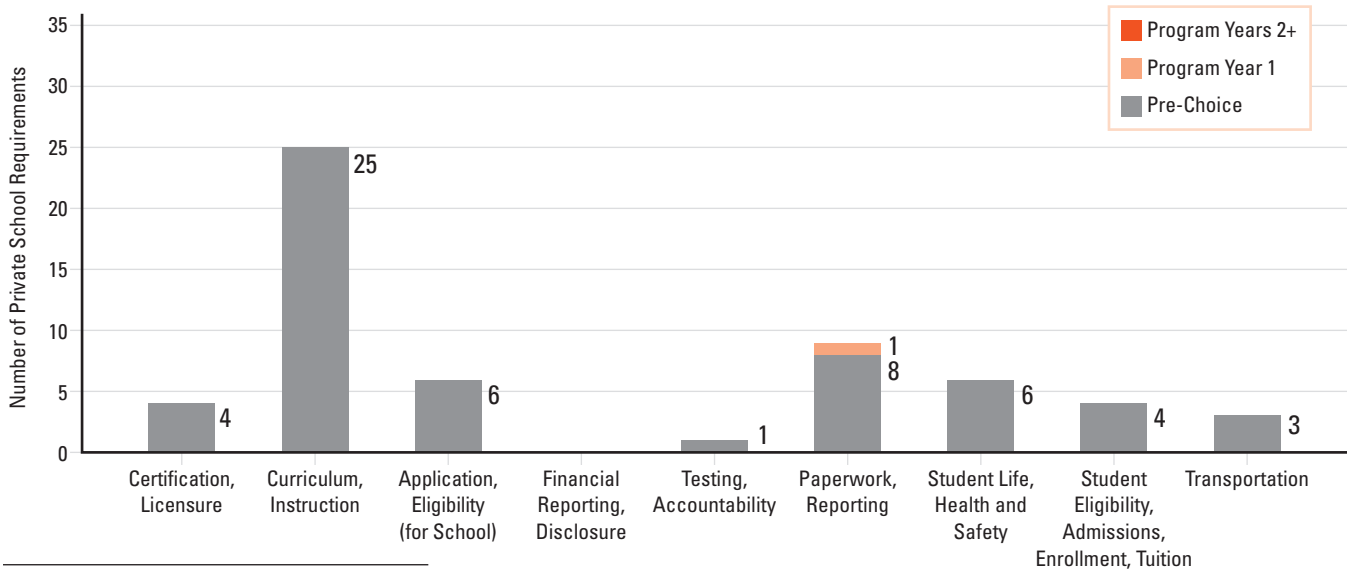
**TABLE 18** Impact Scores of Regulations on Private Schools  
Based on Author’s Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	-6	-		-		-	-6
Curriculum, Instruction	-13	-		-		-	-13
Application, Eligibility (for School)	-6	-		-		-	-6
Financial Reporting, Disclosure	-	-		-		-	-
Testing, Accountability	0	-		-		-	0
Paperwork, Reporting	-16	-		-		-	-16
Student Life, Health and Safety	-13	-		-		-	-13
Student Eligibility, Admissions, Enrollment, Tuition	-6	-		-		-	-6
Transportation	-1	-		-		-	-1
<b>TOTALS</b>	<b>-61</b>	<b>-</b>		<b>-</b>		<b>0</b>	<b>-61</b>

## School Tuition Organization Tax Credit • Iowa

Iowa’s tax-credit scholarship program, enacted in 2006, served 10,446 income-eligible students across 153 schools in the 2012-13 school year.<sup>56</sup>

**FIGURE 19** Counts of Regulations on Private Schools by Time Period



Source: Author’s calculations based on statutes in Appendix 1.

Legislation for Iowa’s tax-credit scholarship program created just one regulation in the first year (see Figure 19). The created regulation was in the Paperwork, Reporting category, which had an impact score of -3 (see Table 19). Overall, Iowa’s School Tuition Organization Tax Credit received a Program Score of -3. The program imposes only one regulation on participating private schools.

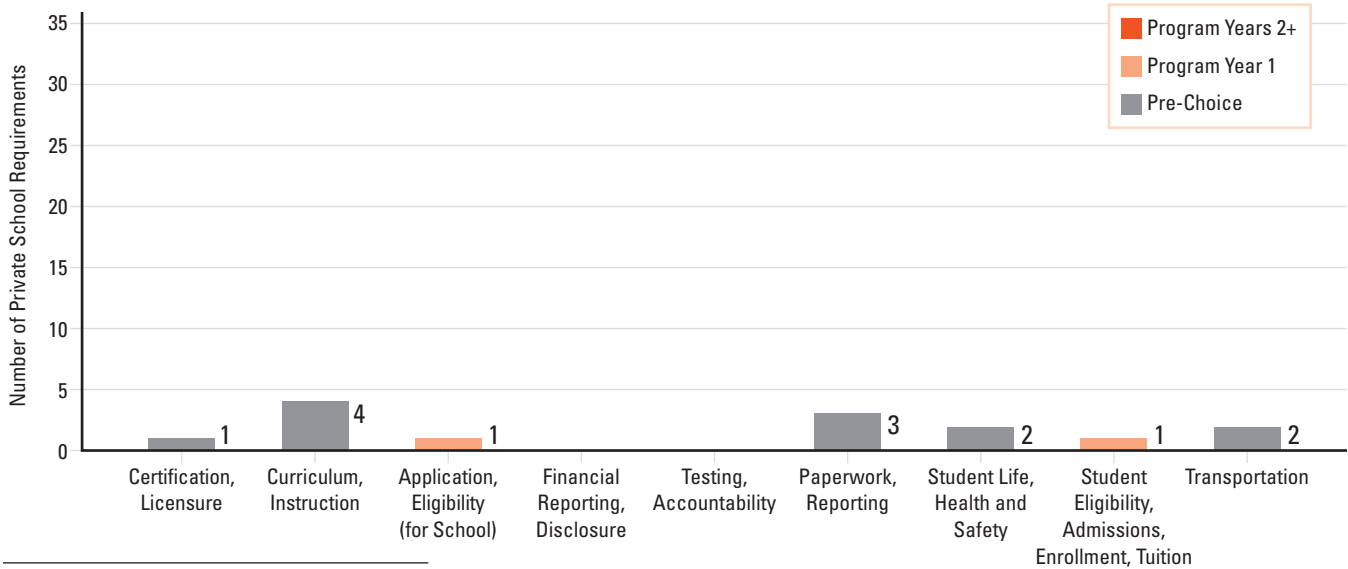
**TABLE 19** Impact Scores of Regulations on Private Schools  
Based on Author’s Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	-3	-		-		-	-3
Curriculum, Instruction	-33	-		-		-	-33
Application, Eligibility (for School)	-10	-		-		-	-10
Financial Reporting, Disclosure	-	-		-		-	-
Testing, Accountability	+2	-		-		-	+2
Paperwork, Reporting	-15	-3		-		<b>-3</b>	-18
Student Life, Health and Safety	-2	-		-		-	-2
Student Eligibility, Admissions, Enrollment, Tuition	-8	-		-		-	-8
Transportation	+3	-		-		-	+3
<b>TOTALS</b>	<b>-66</b>	<b>-3</b>		<b>-</b>		<b>-3</b>	<b>-69</b>

## Qualified Education Expense Tax Credit • Georgia

Enacted in 2008, Georgia’s second school choice program, this one a tax-credit scholarship program open to all public school families, served 13,285 students in 2012.<sup>57</sup>

**FIGURE 20** Counts of Regulations on Private Schools by Time Period



Source: Author’s calculations based on statutes in Appendix 1.

Georgia’s tax-credit scholarship program created two regulations in the nine categories, both coming in the first year (see Figure 20). Those regulations split between Student Eligibility, Admissions, Enrollment, Tuition and Application, Eligibility (for Schools), which generated an impact score of -3 for each (see Table 20). The overall Program Score for Georgia’s Qualified Education Expense Tax Credit is -6, with more than two-thirds of the categories not receiving scores.

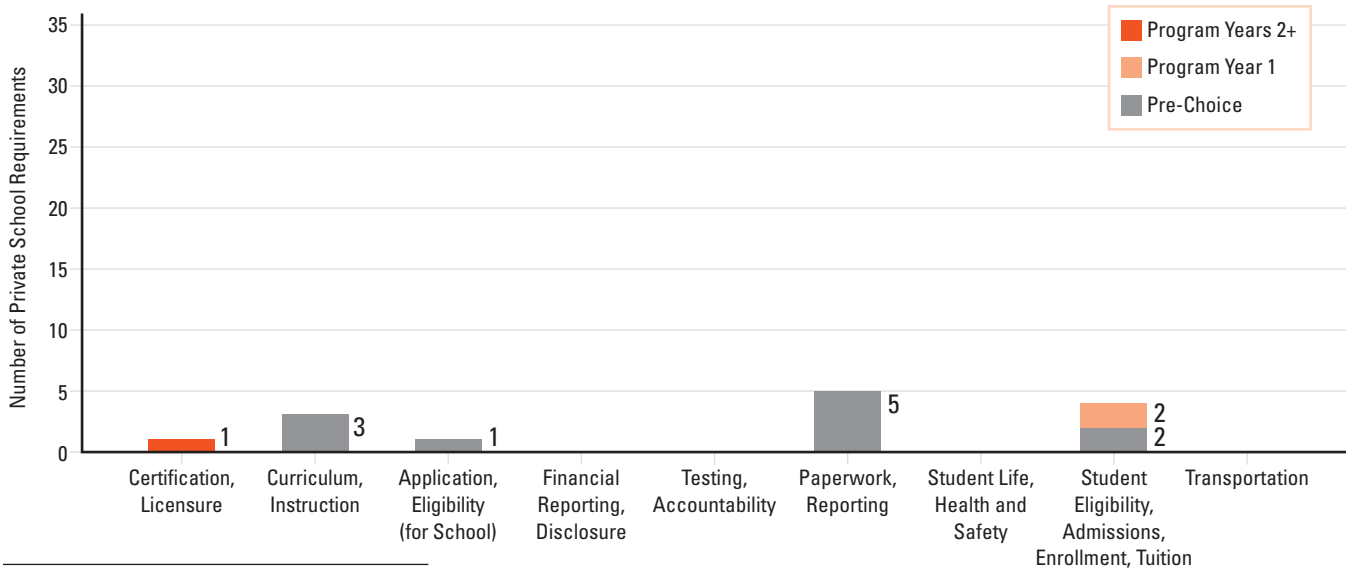
**TABLE 20** Impact Scores of Regulations on Private Schools  
Based on Author’s Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	+1	-		-		-	+1
Curriculum, Instruction	-11	-		-		-	-11
Application, Eligibility (for School)	-	-3		-		<b>-3</b>	-3
Financial Reporting, Disclosure	-	-		-		-	-
Testing, Accountability	-	-		-		-	-
Paperwork, Reporting	-5	-		-		-	-5
Student Life, Health and Safety	-2	-		-		-	-2
Student Eligibility, Admissions, Enrollment, Tuition	-	-3		-		<b>-3</b>	-3
Transportation	0	-		-		-	0
<b>TOTALS</b>	<b>-17</b>	<b>-6</b>		<b>-</b>		<b>-6</b>	<b>-23</b>

## Lexie’s Law for Disabled and Displaced Students Tax Credit Scholarship Program • Arizona

Arizona’s third tax-credit scholarship program, enacted in 2009, provides scholarships to students with special needs and youth adopted from the state’s foster care system. The program awarded 218 scholarships to students across 61 schools in the 2012-13 school year.<sup>58</sup>

**FIGURE 21** Counts of Regulations on Private Schools by Time Period



Source: Author’s calculations based on statutes in Appendix 1.

The nation’s first tax-credit scholarship program specifically serving students with special needs created three regulations across the nine categories, two of which were created in the first year (see Figure 21). Most came in the Student Eligibility, Admissions, Enrollment, Tuition category, which produced a choice impact score of -4 (see Table 21). Overall, the Program Score for the Lexie’s Law for Disabled and Displaced Students Tax Credit Scholarship Program is -7, with more than two-thirds of the categories not receiving a score.

**TABLE 21** Impact Scores of Regulations on Private Schools  
Based on Author’s Regulatory Impact Scale (page 13)

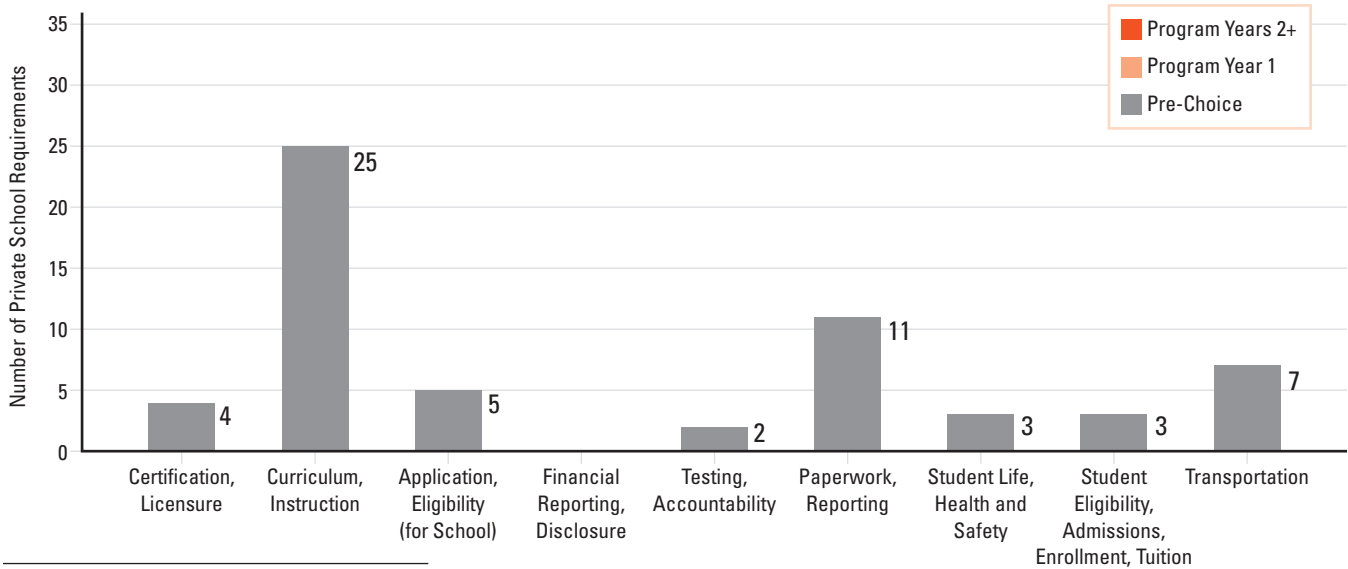
Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	-	-		-3		<b>-3</b>	-3
Curriculum, Instruction	-5	-		-		-	-5
Application, Eligibility (for School)	+3	-		-		-	+3
Financial Reporting, Disclosure	-	-		-		-	-
Testing, Accountability	-	-		-		-	-
Paperwork, Reporting	-11	-		-		-	-11
Student Life, Health and Safety	-	-		-		-	-
Student Eligibility, Admissions, Enrollment, Tuition	-6	-4		-		<b>-4</b>	-10
Transportation	-	-		-		-	-
<b>TOTALS</b>	<b>-19</b>	<b>-4</b>		<b>-3</b>		<b>-7</b>	<b>-26</b>



## School Scholarship Tax Credit • Indiana

Indiana’s first school choice program, enacted in 2009, awarded 4,638 scholarships to income-eligible students in the 2012-13 school year.<sup>59</sup>

**FIGURE 22** Counts of Regulations on Private Schools by Time Period



Source: Author’s calculations based on statutes in Appendix 1.

Indiana’s tax-credit scholarship program did not create any new regulations on private schools (see Figure 22), giving it an overall Program Score of zero (see Table 22). This is one of only three programs analyzed receiving an overall Program Score of zero, with Pennsylvania’s Educational Improvement Tax Credit Program and Rhode Island’s Tax Credits for Contributions to Scholarship Organizations being the others. The programs received scores of zero instead of no scores because the existence of a program equates to a baseline score of zero.

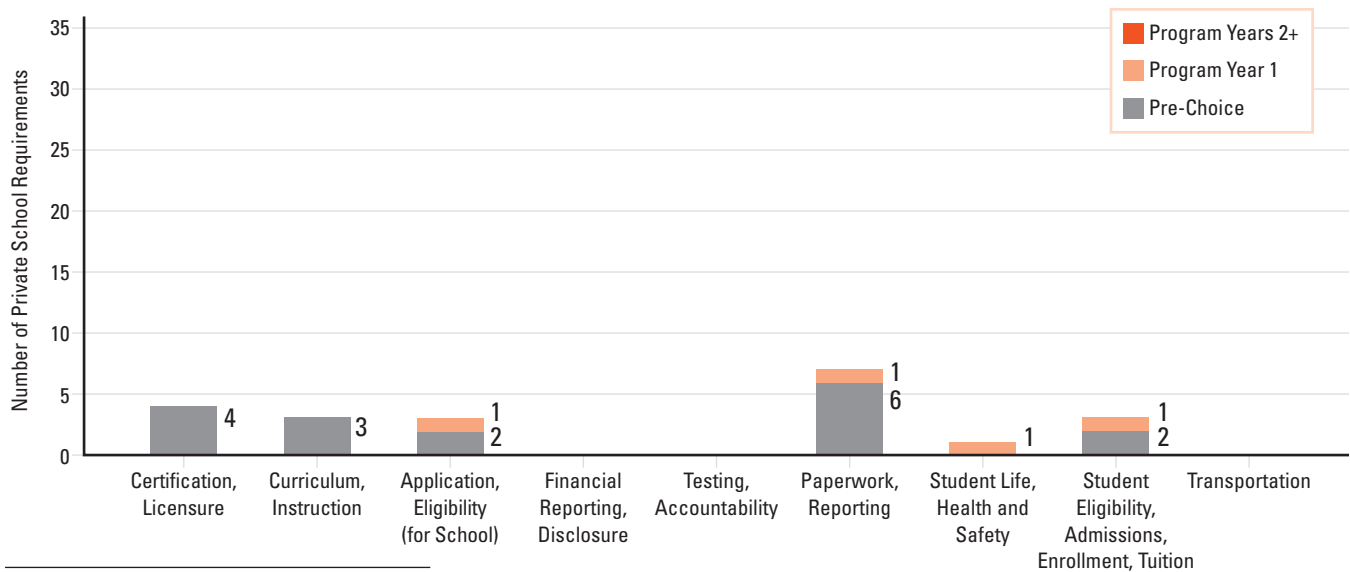
**TABLE 22** Impact Scores of Regulations on Private Schools  
Based on Author’s Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	-7	-		-		-	-7
Curriculum, Instruction	-59	-		-		-	-59
Application, Eligibility (for School)	-5	-		-		-	-5
Financial Reporting, Disclosure	-	-		-		-	-
Testing, Accountability	-2	-		-		-	-2
Paperwork, Reporting	-21	-		-		-	-21
Student Life, Health and Safety	-9	-		-		-	-9
Student Eligibility, Admissions, Enrollment, Tuition	-5	-		-		-	-5
Transportation	-5	-		-		-	-5
<b>TOTALS</b>	<b>-113</b>	<b>-</b>		<b>-</b>		<b>0</b>	<b>-113</b>

## Oklahoma Equal Opportunity Education Scholarships • Oklahoma

Oklahoma’s second school choice program, enacted in 2011, serves only income-eligible students or those zoned to attend a public school designated as “in need of improvement.” The program served 467 students across 33 schools in the 2013-14 school year.<sup>60</sup>

**FIGURE 23** Counts of Regulations on Private Schools by Time Period



Source: Author’s calculations based on statutes in Appendix 1.

Legislation for Oklahoma’s tax-credit scholarship program sparked the creation of four regulations, all coming in the first year (see Figure 23). Those regulations split among four categories, which had an impact score of -3 for each (see Table 23). The overall Program Score for the Oklahoma Equal Opportunity Education Scholarships is -12, with more than half of the categories not receiving scores.

**TABLE 23** Impact Scores of Regulations on Private Schools  
Based on Author’s Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	-8	-		-		-	-8
Curriculum, Instruction	-9	-		-		-	-9
Application, Eligibility (for School)	+1	-3		-		-3	-2
Financial Reporting, Disclosure	-	-		-		-	-
Testing, Accountability	-	-		-		-	-
Paperwork, Reporting	-12	-3		-		-3	-15
Student Life, Health and Safety	-	-3		-		-3	-3
Student Eligibility, Admissions, Enrollment, Tuition	-2	-3		-		-3	-5
Transportation	-	-		-		-	-
<b>TOTALS</b>	<b>-30</b>	<b>-12</b>		<b>-</b>		<b>-12</b>	<b>-42</b>

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# EDUCATION SAVINGS ACCOUNTS

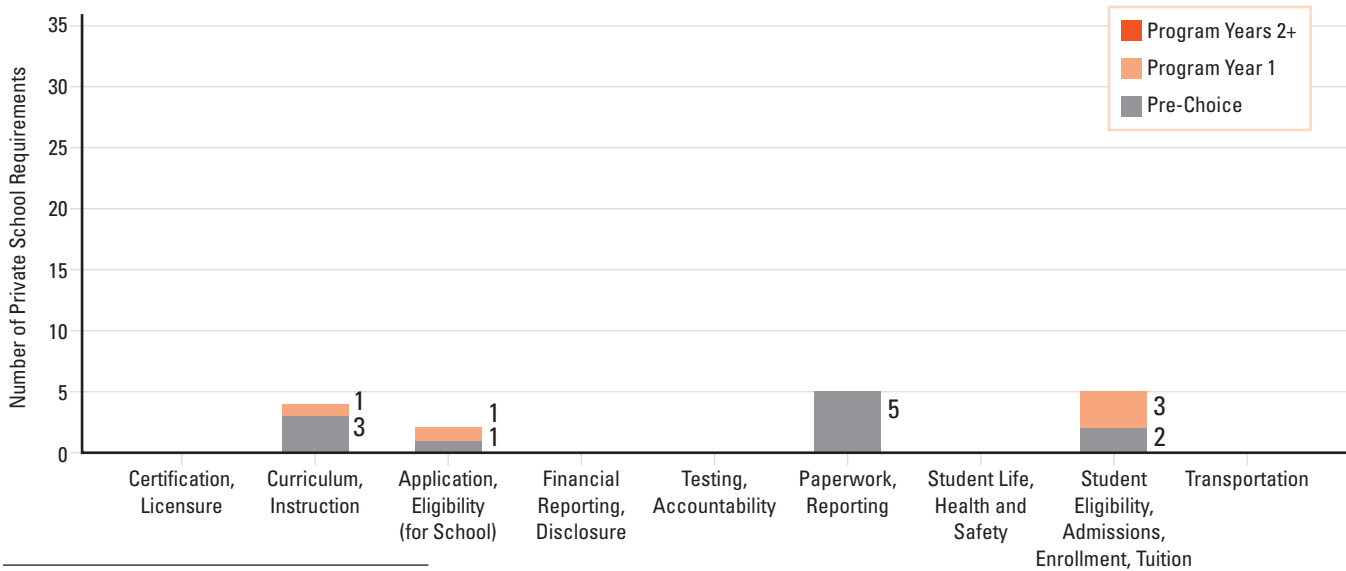
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Education savings accounts (ESAs) utilize funds typically expended by a school district for a student. Those reallocated funds are deposited into parents' government-authorized savings accounts to pay for their children's private school tuition and fees, online learning programs, private tutoring, community college costs, and other higher education expenses. As of this writing, the only ESA program in operation is Arizona's, with Florida approving the launch of ESAs for students with special needs in the 2014-15 school year.<sup>61</sup>

## Empowerment Scholarship Accounts • Arizona

Enacted in 2011, Arizona’s ESAs are similar to the Lexie’s Law for Disabled and Displaced Students Tax Credit Scholarship Program in that students with special needs, youth adopted from Arizona’s foster care system, and dependents of active-duty members of the military are eligible. In the 2013-14 school year, 731 students used ESAs to attend 75 different schools (with the ability to also purchase educational services outside of or in place of traditional schooling).<sup>62</sup>

**FIGURE 24** Counts of Regulations on Private Schools by Time Period



Source: Author’s calculations based on statutes in Appendix 1.

The nation’s first ESA program created five regulations in the nine categories, all of them in the first year (see Figure 24). More than half the created regulations focused on Student Eligibility, Admissions, Enrollment, Tuition, which correlated with an impact score of -3 (see Table 24). The overall Program Score for Arizona’s ESAs is +3, with two-thirds of the categories not receiving scores. This is the only program analyzed that received a positive overall Program Score.

**TABLE 24** Impact Scores of Regulations on Private Schools  
Based on Author’s Regulatory Impact Scale (page 13)

Regulation Category	Pre-Choice	Program Year 1	+	Program Years 2+	=	Program Score	Pre-Choice + Program Score
Certification, Licensure	-	-		-		-	-
Curriculum, Instruction	-5	+3		-		<b>+3</b>	-2
Application, Eligibility (for School)	+3	+3		-		<b>+3</b>	+6
Financial Reporting, Disclosure	-	-		-		-	-
Testing, Accountability	-	-		-		-	-
Paperwork, Reporting	-11	-		-		-	-11
Student Life, Health and Safety	-	-		-		-	-
Student Eligibility, Admissions, Enrollment, Tuition	-6	-3		-		<b>-3</b>	-9
Transportation	-	-		-		-	-
<b>TOTALS</b>	<b>-19</b>	<b>+3</b>		<b>-</b>		<b>+3</b>	<b>-16</b>

## Discussion

Although private schools participating in the longest-running school choice program have been the most impacted by that program's regulations, there does not appear to be any direct correlation between a program's age and the amount of impact choice regulations have on participating schools (see Table 25, next page). States have various methods of organizing their choice statutes though, which most likely affects drawing a correlation. The most noteworthy examples are Florida, Indiana, and Arizona.

Florida has a set of statutory regulations that affect the accountability of private schools participating in any state school choice program.<sup>63</sup> Whereas a choice statute would typically affect only a single program, both the John M. McKay Scholarships for Students with Disabilities Program and the Florida Tax Credit Scholarship Program are affected. The overlapping regulations were not created until five years after the enactment of Florida's tax-credit scholarships, the younger of the two programs.

Indiana has an entire chapter of code dedicated to school scholarships that participating schools must follow, in addition to codes for each program.<sup>64</sup> The overlapping chapter was created for the School Scholarship Tax Credit program, and a small set of statutes was added when the Choice Scholarship Program was created.

Arizona enacted a statute with regulations affecting participating schools when the Original Individual Income Tax Credit Scholarship Program was created. Although the regulations affecting the credit itself remained, all of the regulations affecting participating schools were modified and moved in 2010 into their own chapter on school tuition organizations (i.e., SGOs) for individual contributions.<sup>65</sup> This chapter also affects Arizona's "Switcher" Individual Income Tax Credit Scholarship Program, enacted in 2012. In a similar manner, statutes impacting schools participating in Arizona's Low-Income Corporate Income Tax Credit Scholarship Program moved in 2010 into their own chapter on school tuition organizations for corporate

contributions.<sup>66</sup> The timing is slightly more relevant for the latter, as the Lexie's Law for Disabled and Displaced Students Tax Credit Scholarship Program was enacted in 2009 and the chapter affects both programs.

Both Arizona chapters affecting school choice regulations were created in the same year and the overall Program Score for all of Arizona's tax-credit scholarships is the same, -7. Comparatively, Florida's scores are -60 and -58 and Indiana's scores are -5 and zero (see Table 25). Originally, a regulation in the statutes for Arizona's first corporate tax-credit scholarship program mandated participating schools to annually administer a nationally standardized norm-referenced achievement test to students and make the scores available to the public. The applicable statute was repealed in 2012, and the regulation did not make the move into the separate chapter affecting both of Arizona's corporate income tax-credit scholarship programs. This is the only program analyzed in which there was a testing regulation in the original enactment that no longer applies today.

The Milwaukee Parental Choice Program, the John M. McKay Scholarships for Students with Disabilities Program, and the Florida Tax Credit Scholarship Program are the only programs with overall Program Scores of less than -50, and, thus, are outliers in their groups, with overall scores of -132, -60, and -58, respectively (see Table 25). However, it is hard to compare states, and policymakers sometimes overreact to factors potentially driving regulations. Indeed, Florida's programs suffered from several scandals of fraud prompted by poor oversight. For example, an individual in Florida needed to complete only a two-page application form to create a private school. In most states, private schools must undergo a more rigorous vetting process to get off the ground. Many of the choice regulations created in Florida post-enactment simply raised that minimum bar.<sup>67</sup>

The Milwaukee Parental Choice Program is another example of policymakers potentially overreacting. During the program's legal formation, Wisconsin's Superintendent of Public Instruction, "in an attempt

**TABLE 25** Analyzed Programs Sorted by Program Scores

State	Program	Type	Years Analyzed	Program Score
WI	Milwaukee Parental Choice Program	V	25	-132
FL	John M. McKay Scholarships for Students with Disabilities Program*	V	16	-60
FL	Florida Tax Credit Scholarship Program	TCS	14	-58
OH	Cleveland Scholarship Program	V	20	-37
LA	Louisiana Scholarship Program†	V	7	-33
UT	Carson Smith Special Needs Scholarship Program*	V	10	-32
OK	Lindsey Nicole Henry Scholarships for Students with Disabilities*	V	5	-23
GA	Georgia Special Needs Scholarship Program*	V	8	-22
LA	School Choice Program for Certain Students with Exceptionalities*	V	5	-21
OH	Jon Peterson Special Needs Scholarship Program*	V	4	-15
OK	Oklahoma Equal Opportunity Education Scholarships	TCS	4	-12
OH	Educational Choice Scholarship Program†	V	10	-10
AZ	Original Individual Income Tax Credit Scholarship Program	TCS	18	-7
AZ	Low-Income Corporate Income Tax Credit Scholarship Program	TCS	9	-7
AZ	Lexie's Law for Disabled and Displaced Students Tax Credit Scholarship Program*‡	TCS	6	-7
GA	Qualified Education Expense Tax Credit	TCS	7	-6
OH	Autism Scholarship Program*	V	12	-5
IN	Choice Scholarship Program	V	4	-5
IA	School Tuition Organization Tax Credit	TCS	8	-3
PA	Educational Improvement Tax Credit Program	TCS	14	0
RI	Tax Credits for Contributions to Scholarship Organizations	TCS	9	0
IN	School Scholarship Tax Credit	TCS	6	0
AZ	Empowerment Scholarship Accounts*†‡§	ESA	4	+3

V = Voucher, TCS = Tax-Credit Scholarship, ESA = Education Savings Account

\*Limited to students with special needs

†Limited to students in low-performing schools

‡Limited to students previously in foster care

§Limited to children of active military members

to sentence the program to death by bureaucratic strangulation, imposed a blizzard of regulations upon private schools.”<sup>68</sup> Although he was unsuccessful, additional regulations were part of the deal to lift the cap on the number of students allowed to participate.<sup>69</sup> When excluding two of the outliers—the Milwaukee voucher program and Florida’s voucher program serving students with special needs—vouchers that do not specifically serve students with special needs showed more adverse regulatory impact than vouchers that do, with average Program Scores of -21.25 and -19.67, respectively (see Table 26). Comparatively, tax-credit scholarships have an average Program Score of -10.00, although that changes to -4.67 when excluding

the outlier, the Florida Tax Credit Scholarship Program (see Table 26). These findings are somewhat aligned with Coulson’s conclusion that “vouchers, but not (tax-credit scholarships) impose a substantial and statistically significant additional regulatory burden on participating private schools.”<sup>70</sup> This analysis does not address statistical significance, but it does show, regardless of exclusions, average Program Scores for vouchers are higher than are those for tax-credit scholarships.

This analysis, unlike those previously mentioned, does cover education savings accounts (ESAs) and shows that type of school choice has a positive

**TABLE 26** Types of School Choice Sorted by Average Program Scores

Vouchers (All Programs Analyzed)	-32.92
Vouchers (Excluding Special Needs)	-43.40
Vouchers (Excluding Milwaukee)	-23.91
Vouchers (Excluding Milwaukee and Special Needs)	-21.25
<b>Vouchers for Students with Special Needs</b>	<b>-25.43</b>
Vouchers for Students with Special Needs (Excluding McKay)	-19.67
<b>Tax-Credit Scholarships (All Programs Analyzed)</b>	<b>-10.00</b>
Tax-Credit Scholarships (Excluding Special Needs)	-10.33
Tax-Credit Scholarships (Excluding Florida)	-4.67
Tax-Credit Scholarships (Excluding Florida and Special Needs)	-4.38
<b>Education Savings Accounts (Arizona)</b>	<b>+3.00</b>

**TABLE 27** Regulation Categories Sorted by Average Scores (Excluding Pre-Choice)

Paperwork, Reporting	-7.91
Student Eligibility, Admissions, Enrollment, Tuition	-4.70
Application, Eligibility (for School)	-2.87
Certification, Licensure	-2.35
Student Life, Health and Safety	-1.30
Testing, Accountability	-1.09
Financial Reporting, Disclosure	-0.70
Curriculum, Instruction	-0.57
Transportation	+0.09
<b>TOTAL</b>	<b>-21.39</b>

**TABLE 28** Program Scores Sorted by Excluding Paperwork, Reporting

State	Program	Type	Years Analyzed	Program Score, Excluding Paperwork, Reporting
WI	Milwaukee Parental Choice Program	V	25	-59
FL	John M. McKay Scholarships for Students with Disabilities Program*	V	16	-45
FL	Florida Tax Credit Scholarship Program	TCS	14	-43
LA	Louisiana Scholarship Program†	V	7	-24
OH	Cleveland Scholarship Program	V	20	-21
OK	Lindsey Nicole Henry Scholarships for Students with Disabilities*	V	5	-18
UT	Carson Smith Special Needs Scholarship Program*	V	10	-17
GA	Georgia Special Needs Scholarship Program*	V	8	-13
LA	School Choice Program for Certain Students with Exceptionalities*	V	5	-12
OH	Jon Peterson Special Needs Scholarship Program*	V	4	-9
OK	Oklahoma Equal Opportunity Education Scholarships	TCS	4	-9
AZ	Original Individual Income Tax Credit Scholarship Program	TCS	18	-7
OH	Educational Choice Scholarship Program†	V	10	-7
AZ	Low-Income Corporate Income Tax Credit Scholarship Program	TCS	9	-7
AZ	Lexie's Law for Disabled and Displaced Students Tax Credit Scholarship Program*‡	TCS	6	-7
GA	Qualified Education Expense Tax Credit	TCS	7	-6
IN	Choice Scholarship Program	V	4	-5
OH	Autism Scholarship Program*	V	12	-4
PA	Educational Improvement Tax Credit Program	TCS	14	0
RI	Tax Credits for Contributions to Scholarship Organizations	TCS	9	0
IA	School Tuition Organization Tax Credit	TCS	8	0
IN	School Scholarship Tax Credit	TCS	6	0
AZ	Empowerment Scholarship Accounts*†‡§	ESA	4	+3

V = Voucher, TCS = Tax-Credit Scholarship, ESA = Education Savings Account

\*Limited to students with special needs

†Limited to students in low-performing schools

‡Limited to students previously in foster care

§Limited to children of active military members



average Program Score (although this is based only on a single program). That positive score is most likely related to the direction of ESA regulations—parents of participating students receive the brunt of the regulatory burden, as opposed to the schools (for vouchers) or SGOs (for tax-credit scholarships).

Turning to the average categorical impact scores, the Paperwork, Reporting category has the most negative score (-7.91), which is significantly more than the next lowest score (-4.70) for the Student Eligibility, Admissions, Enrollment, Tuition category. Of note, the Transportation category is the only one that has a positive average impact score, +0.09 (see Table 27, page 46). This is most likely the result of there being more regulations that are protective safeguards (+3) than there are strict requirement regulations (-3).

A quick calculation shows the average of the category-specific impact scores is approximately -2.38 and the standard deviation is approximately 2.53. Applying those figures to the table, the Paperwork, Reporting category is the only one that falls outside one standard deviation of the mean (see Table 27). In the words of Stuit and Doan, “[t]he increase in paperwork that results from program participation can be significant, particularly for smaller schools with few administrators.”<sup>71</sup> What happens then if this category is removed? The results are in Table 28.

After removing the Paperwork, Reporting category, the Milwaukee Parental Choice Program, the John M. McKay Scholarships for Students with Disabilities Program, and the Florida Tax Credit Scholarship Program are still outliers in their groups, being the only programs with overall Program Scores, excluding Paperwork, Reporting, of less than -40—their Program Scores, excluding Paperwork, Reporting, are -59, -45, and -43, respectively (see Table 28). When excluding two of the outliers—the Milwaukee voucher program and Florida’s voucher program for students with special needs—vouchers that do not specifically serve students with special needs showed more adverse regulatory impact than vouchers that do, with Program Scores, excluding Paperwork, Reporting, of -14.25 and -12.17, respectively (see Table 29). Comparatively, tax-credit scholarships have an average overall Program Score, excluding Paperwork, Reporting, of -7.90; however, that changes to -4.00 when excluding the outlier, the Florida Tax Credit Scholarship Program (see Table 29). This additional analysis further shows, regardless of exclusions, average Program Scores for vouchers are more negative than are those for tax-credit scholarships.

Although the Student Eligibility, Admissions, Enrollment, Tuition category is slightly closer to the mean (-4.70) than one standard deviation (-4.91) (see Table 27), Stuit and Doan found more than half of all

**TABLE 29** Types of School Choice Sorted by Average Program Scores, Excluding Paperwork, Reporting

Vouchers (All Programs Analyzed)	-19.09
Vouchers (Excluding Special Needs)	-23.20
Vouchers (Excluding Milwaukee)	-15.91
Vouchers (Excluding Milwaukee and Special Needs)	-14.25
<b>Vouchers for Students with Special Needs</b>	<b>-16.86</b>
Vouchers for Students with Special Needs (Excluding McKay)	-12.17
<b>Tax-Credit Scholarships (All Programs Analyzed)</b>	<b>-7.90</b>
Tax-Credit Scholarships (Excluding Special Needs)	-8.00
Tax-Credit Scholarships (Excluding Florida)	-4.00
Tax-Credit Scholarships (Excluding Florida and Special Needs)	-3.63
Education Savings Accounts (Arizona)	+3.00

**TABLE 30** Programs Sorted by Program Scores, Excluding Student Eligibility, Admissions, Enrollment, Tuition

State	Program	Type	Years Analyzed	Program Score, Excluding Student Eligibility, Admissions, Enrollment, Tuition
WI	Milwaukee Parental Choice Program	V	25	-125
FL	Florida Tax Credit Scholarship Program	TCS	14	-52
FL	John M. McKay Scholarships for Students with Disabilities Program*	V	16	-50
UT	Carson Smith Special Needs Scholarship Program*	V	10	-29
OH	Cleveland Scholarship Program	V	20	-25
GA	Georgia Special Needs Scholarship Program*	V	8	-19
OK	Lindsey Nicole Henry Scholarships for Students with Disabilities*	V	5	-17
LA	Louisiana Scholarship Program†	V	7	-15
LA	School Choice Program for Certain Students with Exceptionalities*	V	5	-12
OH	Jon Peterson Special Needs Scholarship Program*	V	4	-12
OK	Oklahoma Equal Opportunity Education Scholarships	TCS	4	-9
OH	Educational Choice Scholarship Program†	V	10	-7
AZ	Original Individual Income Tax Credit Scholarship Program	TCS	18	-3
AZ	Low-Income Corporate Income Tax Credit Scholarship Program	TCS	9	-3
IA	School Tuition Organization Tax Credit	TCS	8	-3
GA	Qualified Education Expense Tax Credit	TCS	7	-3
AZ	Lexie's Law for Disabled and Displaced Students Tax Credit Scholarship Program*‡	TCS	6	-3
OH	Autism Scholarship Program*	V	12	-2
IN	Choice Scholarship Program	V	4	-1
PA	Educational Improvement Tax Credit Program	TCS	14	0
RI	Tax Credits for Contributions to Scholarship Organizations	TCS	9	0
IN	School Scholarship Tax Credit	TCS	6	0
AZ	Empowerment Scholarship Accounts*†‡§	ESA	4	+3

V = Voucher, TCS = Tax-Credit Scholarship, ESA = Education Savings Account

\*Limited to students with special needs

†Limited to students in low-performing schools

‡Limited to students previously in foster care

§Limited to children of active military members

respondents (52 percent) on their survey of private schools in Cleveland, Cincinnati, Dayton, Indianapolis, and Milwaukee—on reasons for participating or not participating in one of the voucher programs—cited “upholding student admission criteria” as the most important factor affecting their decision.<sup>72</sup> What happens then if the admissions category is removed? See Table 30 (previous page).

After removing the Student Eligibility, Admissions, Enrollment, Tuition category, the Milwaukee Parental Choice Program, the Florida Tax Credit Scholarship Program, and the John M. McKay Scholarships for Students with Disabilities Program are still outliers in their groups, being the only programs with overall Program Scores, excluding Student Eligibility, Admissions, Enrollment, Tuition, of -50 or less—their scores are -125, -52, and -50, respectively (see Table 30).

When excluding two of the outliers, the Milwaukee voucher program and Florida’s voucher program for students with special needs, vouchers that do not specifically serve students with special needs showed *less* adverse regulatory impact than vouchers that do, with average Program Scores, excluding Student Eligibility, Admissions, Enrollment, Tuition, of -12.00 and -15.17, respectively (see Table 31).

Comparatively, tax-credit scholarships have an average Program Score, excluding Student Eligibility, Admissions, Enrollment, Tuition, of -7.60; however, that changes to -4.67 when excluding the outlier, the Florida Tax Credit Scholarship Program (see Table 31). This additional analysis even further shows, regardless of exclusions, average Program Scores for vouchers are more negative than are those for tax-credit scholarships.

When combined, those categorical breakouts look as shown in Table 32 (next page). The removal of the Paperwork, Reporting category from the overall Program Scores results in a 42 percent reduction for the voucher programs analyzed and a 21 percent reduction for the tax-credit scholarship programs analyzed. Comparatively, the removal of the Student Eligibility, Admissions, Enrollment, Tuition category from the overall Program Scores results in a 21 percent reduction for the voucher programs analyzed and a 24 percent reduction for the tax-credit scholarship programs analyzed. That means voucher programs are more reactive to the Paperwork, Reporting category than tax-credit scholarship programs are, but the reverse is true for the Student, Eligibility, Admissions, Enrollment, Tuition category.

**TABLE 31** Types of School Choice Sorted by Average Program Scores, Excluding Student Eligibility, Admissions, Enrollment, Tuition

Vouchers (All Programs Analyzed)	-26.17
Vouchers (Excluding Special Needs)	-34.60
Vouchers (Excluding Milwaukee)	-17.18
Vouchers (Excluding Milwaukee and Special Needs)	-12.00
<b>Vouchers for Students with Special Needs</b>	<b>-20.14</b>
Vouchers for Students with Special Needs (Excluding McKay)	-15.17
<b>Tax-Credit Scholarships (All Programs Analyzed)</b>	<b>-7.60</b>
Tax-Credit Scholarships (Excluding Special Needs)	-8.11
Tax-Credit Scholarships (Excluding Florida)	-2.67
Tax-Credit Scholarships (Excluding Florida and Special Needs)	-2.63
Education Savings Accounts (Arizona)	+6.00

**TABLE 32** Types of School Choice Sorted by Average Program Scores by Excluding Paperwork, Reporting or Student Eligibility, Admissions, Enrollment, Tuition

Program Type	Overall	Excluding Paperwork, Reporting	Excluding Student Eligibility, Admissions, Enrollment, Tuition
Vouchers (All Programs Analyzed)	-32.92	-19.09	-26.17
Vouchers (Excluding Special Needs)	-43.40	-23.20	-34.60
Vouchers (Excluding Milwaukee)	-23.91	-15.91	-17.18
Vouchers (Excluding Milwaukee and Special Needs)	-21.25	-14.25	-12.00
Vouchers for Students with Special Needs	-25.43	-16.86	-20.14
Vouchers for Students with Special Needs (Excluding McKay)	-19.67	-12.17	-15.17
Tax-Credit Scholarships (All Programs Analyzed)	-10.00	-7.90	-7.60
Tax-Credit Scholarships (Excluding Special Needs)	-10.33	-8.00	-8.11
Tax-Credit Scholarships (Excluding Florida)	-4.67	-4.00	-2.67
Tax-Credit Scholarships (Excluding Florida and Special Needs)	-4.38	-3.63	-2.63
Education Savings Accounts (Arizona)	+3.00	+3.00	+6.00

## Implications for Research

Based on the methodology used for this project, a similar analysis can be conducted on the rules and regulations affecting state agencies interacting with school choice programs, scholarship-granting organizations, and parents and students. It might be fruitful to compare the regulatory burdens placed on private schools participating in voucher programs, scholarship-granting organizations participating in tax-credit scholarship programs, and parents of students using education savings accounts, because those actors are most directly interacting with state government for each type of school choice program.

Also, the statutory databases, started for this project, can be enlarged to be more comprehensive by adding non-education- or non-transportation-related statutes, such as those affecting health and safety requirements, tax exemption, and nursing and health, in addition to administrative codes and constitutional provisions. Doing so would result in a more expansive analysis on regulations affecting private schools, administrative departments, scholarship-granting organizations, and parents and students.

There is the potential for a lagged association between

program participation levels and increases in the regulatory burden on private schools. Overlaying the time series of program regulation enactments with program enrollments for the same state might suggest such a relationship.

## Recommendations and Considerations for Policymakers

- Avoid reinventing the wheel.** The empirical evidence on important indicators is significantly positive for the private school choice programs examined so far. If those programs are observed to advance what American society values as important educational outcomes—such as equalizing opportunity, increasing academic performance, promoting diversity, and instilling civic values—then policymakers should take note of the evidence and establish an empirically-driven threshold before taking any regulatory actions relating to those types of outcomes. If the private school sector is observed to meet those objectives, there should not be any need for further action until evidence significantly suggests otherwise.

- **Avoid statutory redundancies and overlap.** Policymakers (and/or their staff) should make sure a regulation or requirement is not currently in place that has the same objective as a newly proposed regulation or rule. If there is not complete overlap, strong consideration should be given to whether or not there is any additional value for the proposed regulation. Consideration of the additional time (at a minimum) for program administrators to simply monitor schools' compliance with a new regulation also should occur.
- **Consider the oversight roles of accreditation agencies and associations.** Before the creation of a school choice program, or modification of an existing program, it is important to consider the question: Are there non-governmental organizations that already provide some measure of oversight and accountability for the state's private schools? Do those organizations already have the capacity and/or industry knowledge to function in one or more ways and relieve state government of costs in terms of time and resources?
- **Consider costs to private schools in fiscal impact calculations.** Policymakers drafting school choice legislation should request that any fiscal impact calculation also include the projected administrative cost burden to private schools for all associated regulations.
- **Ensure all schools, regardless of type or sector, are reimbursed for substantial costs associated with regulations.** If lawmakers plan to enact legislation that requires private schools to follow regulations that public schools receiving public dollars follow, then parity should be considered. Private schools should be reimbursed for costs incurred for regulatory compliance. For instance, if a private school is required to submit certain forms, provide transportation, or administer tests, those administrative and service costs should be reimbursed or be factored into the school choice funding. Two examples illustrate such reimbursement and compensation:
  - In Ohio, chartered nonpublic schools can apply for and receive reimbursement for the actual mandated service and administrative and clerical costs incurred.<sup>73</sup>
  - Louisiana's state government approves the private schools that shall receive reimbursement for the actual cost incurred for providing school services, maintaining records, and completing and filing reports.<sup>74</sup>

## Conclusion

The 23 school choice programs analyzed for this report are governed by state statutes with varying levels of impact, both across regulation categories and types of programs.

Two regulation categories—Paperwork, Reporting and Student Eligibility, Admissions, Enrollment, Tuition—exhibited, on average, the most negative impacts on private schools participating in school choice programs. When excluding Paperwork, Reporting, average Program Scores reduced 42 percent for the voucher programs and 21 percent for the tax-credit scholarship programs. By contrast, when excluding the Student Eligibility, Admissions, Enrollment, Tuition category, average regulatory impact scores reduced 21 percent for the voucher programs analyzed and 24 percent for the tax-credit scholarship programs analyzed. Clearly, voucher programs have more regulations tied to Paperwork, Reporting than tax-credit scholarship programs do. The data indicate the reverse may be true regarding regulations related to the Student, Eligibility, Admissions, Enrollment, Tuition category. The Transportation category was the only regulation type observed to have a positive regulatory impact score.

On average, the choice regulations for the voucher programs had impact scores more than three times as negative the scores of tax-credit scholarships. When controlling for outliers and special needs programs, the voucher programs' scores are nearly five times as negative. The ESA program is the only program analyzed that received a positive score.

It should be noted again these are relative comparisons. What Program Score reflects excessive burden to private schools? That kind of “tolerance” assessment is beyond the scope of this report’s data collection, presenting a rich opportunity for deeper qualitative inquiry into the relations between state government and private schools. Program Scores also do not reflect the total regulatory environment affecting private schools. Private school regulations—pre-choice or independent of school choice programs—should also be considered by policymakers, state agency analysts, and program administrators. Policymakers may not always have the time or background to ask questions about the total regulatory environment surrounding private schools, hence the need for more education.

A final recommendation of this report is for proponents of school choice. They have a heavy lift—but a crucial one—educating policymakers, the media, and the general public that there has been a longstanding regulatory relationship between state governments and private schools. New or additional regulation may not be necessary if important student- and family-centered objectives, as well as societal values, are already being met by private schools.





## Appendix 1

### *Statutes Analyzed for Figures and Tables with Programs' Statutes Bolded*

#### Arizona | Original Individual Income Tax Credit Scholarship Program

Ariz. Rev. Stat. §§ 15-151, 15-161, 15-802, 15-828, 15-872, 15-874, **43-1089**, and **43-1601 through 1605**

#### Arizona | Low-Income Corporate Income Tax Credit Scholarship Program

Ariz. Rev. Stat. §§ 15-151, 15-161, 15-802, 15-828, 15-872, 15-874, **43-1183**, and **43-1501 through 1507**

#### Arizona | Lexie's Law for Disabled and Displaced Students Tax Credit Scholarship Program\*‡

Ariz. Rev. Stat. §§ 15-151, 15-161, 15-802, 15-828, 15-872, 15-874, **43-1184**, and **43-1501 through 1507**

#### Arizona | Empowerment Scholarship Accounts\*†‡§

Ariz. Rev. Stat. §§ 15-151, 15-161, 15-802, 15-828, 15-872, 15-874, and **15-2401 through 2404**

#### Florida | John M. McKay Scholarships for Students with Disabilities Program\*

Fla. Stat. §§ **1002.39**, 1002.42, **1002.421**, 1003.21-23, 1003.47, and 1012.98

#### Florida | Florida Tax Credit Scholarship Program

Fla. Stat. §§ **1002.395**, 1002.42, **1002.421**, 1003.21-23, 1003.47, and 1012.98

#### Georgia | Georgia Special Needs Scholarship Program\*

O.C.G.A. §§ 20-2-142, 20-2-553, 20-2-690, 20-2-701, 20-2-983, 20-2-1180, **20-2-2110 through 2118**, 40-8-114, and 40-8-115

#### Georgia | Qualified Education Expense Tax Credit

O.C.G.A. §§ 20-2-142, 20-2-553, 20-2-690, 20-2-701, 20-2-983, 20-2-1180, **20-2A-1 through 7**, 40-8-114, 40-8-115, and **48-7-29.16**

#### Indiana | School Scholarship Tax Credit

Ind. Code §§ **6-3.1-30.5**, 20-19-2-8, 20-20-31-4, 20-26-12-2, 20-26-15-13, 20-27-3-4, 20-27-7-1, 20-27-8-9 and 10, 20-27-11-1, 20-28-5-2, 20-28-6-3, 20-28-11.5-3, 20-30-5-0.5 through 5, 20-30-5-7 through 8, 20-30-5-11 and 12, 20-30-5-14 through 18, 20-31-3-6, 20-31-4-6 through 8, 20-31-4-13, 20-32-5-17, 20-32-8-7, 20-33-2-10, 20-33-2-20 and 21, 20-33-5-9, **20-51-1 through 3**, and 36-9-4-54

#### Indiana | Choice Scholarship Program

Ind. Code §§ 20-19-2-8, 20-20-31-4, 20-26-12-2, 20-26-15-13, 20-27-3-4, 20-27-7-1, 20-27-8-9 and 10, 20-27-11-1, 20-28-5-2, 20-28-6-3, 20-28-11.5-3, 20-30-5-0.5 through 5, 20-30-5-7 through 8, 20-30-5-11 and 12, 20-30-5-14 through 19, 20-31-3-6, 20-31-4-6 through 8, 20-31-4-13, 20-32-5-17, 20-32-8-7, 20-33-2-10, 20-33-2-20 and 21, 20-33-5-9, **20-51-1 through 4**, and 36-9-4-54

#### Iowa | School Tuition Organization Tax Credit

Iowa Code §§ 256.7, 256.11 and 12, 257.37, 273.2, 280.2 through 5, 280.9A, 280.10 through 12, 280.14, 280.17, 280.23, 285.1, 299.3, 301.1, 321.178, 321.375, and **422.11S**

#### Louisiana | Louisiana Scholarship Program†

La. Rev. Stat. §§ 17:11, 17:158, 17:158.3, 17:167, 17:170, 17:232, 17:236, 17:353, 17:361, **17:4011 through 4025**, and 47:715.1

#### Louisiana | School Choice Program for Certain Students with Exceptionalities\*

La. Rev. Stat. §§ 17:11, 17:158, 17:158.3, 17:167, 17:170, 17:232, 17:236, 17:353, 17:361, **17:4031**, and 47:715.1

#### Ohio | Cleveland Scholarship Program

Ohio Rev. Code §§ 3301.071, 3313.672, 3313.80, 3313.813, **3313.974 through 979**, 3317.06, 3317.063, 3319.39, 3319.41, 3321.04, 3321.07, 3321.12, 3323.17, 3327.01, 3327.13, and 3365.02

#### Ohio | Autism Scholarship Program\*

Ohio Rev. Code §§ 3301.071, **3310.41 through 43**, 3313.672, 3313.80, 3313.813, 3317.06, 3317.063, 3319.39, 3319.41, 3321.04, 3321.07, 3321.12, 3323.17, 3327.01, 3327.13, and 3365.02



**Ohio | Educational Choice Scholarship Program†**

Ohio Rev. Code §§ 3301.071, **3310.01 through 17**, 3313.672, 3313.80, 3313.813, 3317.06, 3317.063, 3319.39, 3319.41, 3321.04, 3321.07, 3321.12, 3323.17, 3327.01, 3327.13, and 3365.02

**Ohio | Jon Peterson Special Needs Scholarship Program\***

Ohio Rev. Code §§ 3301.071, **3310.51 through 64**, 3313.672, 3313.80, 3313.813, 3317.06, 3317.063, 3319.39, 3319.392, 3319.41, 3321.04, 3321.07, 3321.12, 3323.17, 3327.01, 3327.13, and 3365.02

**Oklahoma | Lindsey Nicole Henry Scholarships for Students with Disabilities\***

Okla. Rev. Stat. §§ 25-153, 70-1-111, 70-3-104, 70-6-115 and 189, 70-10-106, 70-11-103.6, **70-13-101.1 and 101.2**, 70-35e, 70-1210.191, 70-1210.194, and 70-1210.401

**Oklahoma | Oklahoma Equal Opportunity Education Scholarships**

Okla. Rev. Stat. §§ 25-153, **68-2357.206**, 70-1-111, 70-3-104, 70-6-115 and 189, 70-10-106, 70-11-103.6, 70-35e, 70-1210.191, 70-1210.194, and 70-1210.401

**Pennsylvania | Educational Improvement Tax Credit Program**

Pa. Stat. §§ 24-1-111, 24-5-511, 24-7-771, 24-9-923-A, 24-9-923.1-A, 24-9-923.2-A, 24-13-1327, 24-13-1332, 24-13-1355, 24-13-1361, 24-13-1376, 24-13-1302-A, 24-13-1307-A, 24-14-1409, 24-15-1518, 24-15-1521, 24-15-1523, 24-15-1547, 24-15-1505-A, 24-20-5301 and 5312, 24-24A-5713, 24-34-6704, 24-34-6707, 24-34-6709, 24-34-6710, 24-34-6712, **72-5-8701-F through 8708-F and 9902E**, 75-13-1343, 75-15-1509, and 75-45-4551 and 4552

**Rhode Island | Tax Credits for Contributions to Scholarship Organizations**

R.I.G.L. §§ 16-2-18.1 and 28.2, 16-8-9 and 11, 16-12-4, 16-19-2 and 10, 16-21-1, 16-21-3.1, 16-21-4, 16-21-7, 16-21-8, 16-21-10, 16-21-14, 16-21-14.1, 16-21-15, 16-21-17, 16-22-4, 16-22-9, 16-22-18, 16-22-20, 16-23-2, 16-38-2, 16-40-11, and **44-62-1 through 7**

**Utah | Carson Smith Special Needs Scholarship Program\***

Utah Code §§ 41-6-115, 53-8-211, **53A-1a-701 through 710**, 53A-3-402.5 and 410, 53A-11-301, 53A-11-304, 53A-11-601, 53A-11-802, and 53A-13-103

**Wisconsin | Milwaukee Parental Choice Program**

Wis. Stat. §§ 115.28, 115.30, 115.36, 115.365, 115.368, 118.06, 118.07, 118.16, 118.165, 118.257, 118.29, 118.32, **119.23 and 235**, 120.18, 121.53, 121.54, 121.555, and 121.56

\*Limited to students with special needs

†Limited to students in low-performing schools

‡Limited to students previously in foster care

§Limited to children of active military members

## Appendix 2

**TABLE 2.1** Programs Sorted by Program Scores, Excluding Application, Eligibility (for School)

State	Program	Type	Years Analyzed	Program Score, Excluding Application, Eligibility (for School)
WI	Milwaukee Parental Choice Program	V	25	-114
FL	John M. McKay Scholarships for Students with Disabilities Program*	V	16	-54
FL	Florida Tax Credit Scholarship Program	TCS	14	-46
OH	Cleveland Scholarship Program	V	20	-34
LA	Louisiana Scholarship Program†	V	7	-33
UT	Carson Smith Special Needs Scholarship Program*	V	10	-28
LA	School Choice Program for Certain Students with Exceptionalities*	V	5	-18
OK	Lindsey Nicole Henry Scholarships for Students with Disabilities*	V	5	-17
GA	Georgia Special Needs Scholarship Program*	V	8	-16
OH	Jon Peterson Special Needs Scholarship Program*	V	4	-12
OH	Educational Choice Scholarship Program†	V	10	-9
OK	Oklahoma Equal Opportunity Education Scholarships	TCS	4	-9
AZ	Original Individual Income Tax Credit Scholarship Program	TCS	18	-7
AZ	Low-Income Corporate Income Tax Credit Scholarship Program	TCS	9	-7
AZ	Lexie's Law for Disabled and Displaced Students Tax Credit Scholarship Program*‡	TCS	6	-7
OH	Autism Scholarship Program*	V	12	-5
IN	Choice Scholarship Program	V	4	-4
IA	School Tuition Organization Tax Credit	TCS	8	-3
GA	Qualified Education Expense Tax Credit	TCS	7	-3
PA	Educational Improvement Tax Credit Program	TCS	14	0
RI	Tax Credits for Contributions to Scholarship Organizations	TCS	9	0
IN	School Scholarship Tax Credit	TCS	6	0
AZ	Empowerment Scholarship Accounts*†‡§	ESA	4	0

V = Voucher, TCS = Tax-Credit Scholarship, ESA = Education Savings Account

\*Limited to students with special needs

†Limited to students in low-performing schools

‡Limited to students previously in foster care

§Limited to children of active military members

**TABLE 2.2** Programs Sorted by Program Scores, Excluding Certification, Licensure

State	Program	Type	Years Analyzed	Program Score, Excluding Certification, Licensure
WI	Milwaukee Parental Choice Program	V	25	-123
FL	John M. McKay Scholarships for Students with Disabilities Program*	V	16	-46
FL	Florida Tax Credit Scholarship Program	TCS	14	-43
OH	Cleveland Scholarship Program	V	20	-37
LA	Louisiana Scholarship Program†	V	7	-33
UT	Carson Smith Special Needs Scholarship Program*	V	10	-32
LA	School Choice Program for Certain Students with Exceptionalities*	V	5	-21
OK	Lindsey Nicole Henry Scholarships for Students with Disabilities*	V	5	-20
GA	Georgia Special Needs Scholarship Program*	V	8	-19
OH	Jon Peterson Special Needs Scholarship Program*	V	4	-15
OK	Oklahoma Equal Opportunity Education Scholarships	TCS	4	-12
OH	Educational Choice Scholarship Program†	V	10	-10
GA	Qualified Education Expense Tax Credit	TCS	7	-6
IN	Choice Scholarship Program	V	4	-5
AZ	Original Individual Income Tax Credit Scholarship Program	TCS	18	-4
OH	Autism Scholarship Program*	V	12	-4
AZ	Low-Income Corporate Income Tax Credit Scholarship Program	TCS	9	-4
AZ	Lexie's Law for Disabled and Displaced Students Tax Credit Scholarship Program*‡	TCS	6	-4
IA	School Tuition Organization Tax Credit	TCS	8	-3
PA	Educational Improvement Tax Credit Program	TCS	14	0
RI	Tax Credits for Contributions to Scholarship Organizations	TCS	9	0
IN	School Scholarship Tax Credit	TCS	6	0
AZ	Empowerment Scholarship Accounts*†‡§	ESA	4	+3

V = Voucher, TCS = Tax-Credit Scholarship, ESA = Education Savings Account

\*Limited to students with special needs

†Limited to students in low-performing schools

‡Limited to students previously in foster care

§Limited to children of active military members

**TABLE 2.3** Programs Sorted by Program Scores, Excluding Student Life, Health and Safety

State	Program	Type	Years Analyzed	Program Score, Excluding Student Life, Health and Safety
WI	Milwaukee Parental Choice Program	V	25	-129
FL	Florida Tax Credit Scholarship Program	TCS	14	-52
FL	John M. McKay Scholarships for Students with Disabilities Program*	V	16	-48
OH	Cleveland Scholarship Program	V	20	-37
LA	Louisiana Scholarship Program†	V	7	-33
UT	Carson Smith Special Needs Scholarship Program*	V	10	-29
GA	Georgia Special Needs Scholarship Program*	V	8	-22
LA	School Choice Program for Certain Students with Exceptionalities*	V	5	-21
OK	Lindsey Nicole Henry Scholarships for Students with Disabilities*	V	5	-20
OH	Jon Peterson Special Needs Scholarship Program*	V	4	-15
OH	Educational Choice Scholarship Program†	V	10	-10
OK	Oklahoma Equal Opportunity Education Scholarships	TCS	4	-9
AZ	Original Individual Income Tax Credit Scholarship Program	TCS	18	-7
AZ	Low-Income Corporate Income Tax Credit Scholarship Program	TCS	9	-7
AZ	Lexie's Law for Disabled and Displaced Students Tax Credit Scholarship Program*‡	TCS	6	-7
GA	Qualified Education Expense Tax Credit	TCS	7	-6
OH	Autism Scholarship Program*	V	12	-5
IN	Choice Scholarship Program	V	4	-5
IA	School Tuition Organization Tax Credit	TCS	8	-3
PA	Educational Improvement Tax Credit Program	TCS	14	0
RI	Tax Credits for Contributions to Scholarship Organizations	TCS	9	0
IN	School Scholarship Tax Credit	TCS	6	0
AZ	Empowerment Scholarship Accounts*†‡§	ESA	4	+3

V = Voucher, TCS = Tax-Credit Scholarship, ESA = Education Savings Account

\*Limited to students with special needs

†Limited to students in low-performing schools

‡Limited to students previously in foster care

§Limited to children of active military members

**TABLE 2.4** Programs Sorted by Program Scores, Excluding Testing, Accountability

State	Program	Type	Years Analyzed	Program Score, Excluding Testing, Accountability
WI	Milwaukee Parental Choice Program	V	25	-123
FL	John M. McKay Scholarships for Students with Disabilities Program*	V	16	-60
FL	Florida Tax Credit Scholarship Program	TCS	14	-57
OH	Cleveland Scholarship Program	V	20	-34
LA	Louisiana Scholarship Program†	V	7	-30
UT	Carson Smith Special Needs Scholarship Program*	V	10	-29
OK	Lindsey Nicole Henry Scholarships for Students with Disabilities*	V	5	-23
GA	Georgia Special Needs Scholarship Program*	V	8	-22
LA	School Choice Program for Certain Students with Exceptionalities*	V	5	-21
OH	Jon Peterson Special Needs Scholarship Program*	V	4	-12
OK	Oklahoma Equal Opportunity Education Scholarships	TCS	4	-12
AZ	Original Individual Income Tax Credit Scholarship Program	TCS	18	-7
OH	Educational Choice Scholarship Program†	V	10	-7
AZ	Low-Income Corporate Income Tax Credit Scholarship Program	TCS	9	-7
AZ	Lexie's Law for Disabled and Displaced Students Tax Credit Scholarship Program*‡	TCS	6	-7
GA	Qualified Education Expense Tax Credit	TCS	7	-6
OH	Autism Scholarship Program*	V	12	-5
IN	Choice Scholarship Program	V	4	-5
IA	School Tuition Organization Tax Credit	TCS	8	-3
PA	Educational Improvement Tax Credit Program	TCS	14	0
RI	Tax Credits for Contributions to Scholarship Organizations	TCS	9	0
IN	School Scholarship Tax Credit	TCS	6	0
AZ	Empowerment Scholarship Accounts*†‡§	ESA	4	+3

V = Voucher, TCS = Tax-Credit Scholarship, ESA = Education Savings Account

\*Limited to students with special needs

†Limited to students in low-performing schools

‡Limited to students previously in foster care

§Limited to children of active military members

**TABLE 2.5** Programs Sorted by Program Scores, Excluding Financial Reporting, Disclosure

State	Program	Type	Years Analyzed	Program Score, Excluding Financial Reporting, Disclosure
WI	Milwaukee Parental Choice Program	V	25	-126
FL	John M. McKay Scholarships for Students with Disabilities Program*	V	16	-60
FL	Florida Tax Credit Scholarship Program	TCS	14	-55
OH	Cleveland Scholarship Program	V	20	-37
UT	Carson Smith Special Needs Scholarship Program*	V	10	-31
LA	Louisiana Scholarship Program†	V	7	-30
OK	Lindsey Nicole Henry Scholarships for Students with Disabilities*	V	5	-22
LA	School Choice Program for Certain Students with Exceptionalities*	V	5	-21
GA	Georgia Special Needs Scholarship Program*	V	8	-20
OH	Jon Peterson Special Needs Scholarship Program*	V	4	-15
OK	Oklahoma Equal Opportunity Education Scholarships	TCS	4	-12
OH	Educational Choice Scholarship Program†	V	10	-10
AZ	Original Individual Income Tax Credit Scholarship Program	TCS	18	-7
AZ	Low-Income Corporate Income Tax Credit Scholarship Program	TCS	9	-7
AZ	Lexie's Law for Disabled and Displaced Students Tax Credit Scholarship Program*‡	TCS	6	-7
GA	Qualified Education Expense Tax Credit	TCS	7	-6
OH	Autism Scholarship Program*	V	12	-5
IN	Choice Scholarship Program	V	4	-5
IA	School Tuition Organization Tax Credit	TCS	8	-3
PA	Educational Improvement Tax Credit Program	TCS	14	0
RI	Tax Credits for Contributions to Scholarship Organizations	TCS	9	0
IN	School Scholarship Tax Credit	TCS	6	0
AZ	Empowerment Scholarship Accounts*†‡§	ESA	4	+3

V = Voucher, TCS = Tax-Credit Scholarship, ESA = Education Savings Account

\*Limited to students with special needs

†Limited to students in low-performing schools

‡Limited to students previously in foster care

§Limited to children of active military members

**TABLE 2.6** Programs Sorted by Program Scores, Excluding Curriculum, Instruction

State	Program	Type	Years Analyzed	Program Score, Excluding Curriculum, Instruction
WI	Milwaukee Parental Choice Program	V	25	-125
FL	Florida Tax Credit Scholarship Program	TCS	14	-58
FL	John M. McKay Scholarships for Students with Disabilities Program*	V	16	-57
OH	Cleveland Scholarship Program	V	20	-34
LA	Louisiana Scholarship Program†	V	7	-33
UT	Carson Smith Special Needs Scholarship Program*	V	10	-29
OK	Lindsey Nicole Henry Scholarships for Students with Disabilities*	V	5	-23
GA	Georgia Special Needs Scholarship Program*	V	8	-22
LA	School Choice Program for Certain Students with Exceptionalities*	V	5	-21
OH	Jon Peterson Special Needs Scholarship Program*	V	4	-15
OK	Oklahoma Equal Opportunity Education Scholarships	TCS	4	-12
OH	Educational Choice Scholarship Program†	V	10	-10
AZ	Original Individual Income Tax Credit Scholarship Program	TCS	18	-7
AZ	Low-Income Corporate Income Tax Credit Scholarship Program	TCS	9	-7
AZ	Lexie's Law for Disabled and Displaced Students Tax Credit Scholarship Program*‡	TCS	6	-7
GA	Qualified Education Expense Tax Credit	TCS	7	-6
OH	Autism Scholarship Program*	V	12	-5
IN	Choice Scholarship Program	V	4	-5
IA	School Tuition Organization Tax Credit	TCS	8	-3
PA	Educational Improvement Tax Credit Program	TCS	14	0
RI	Tax Credits for Contributions to Scholarship Organizations	TCS	9	0
IN	School Scholarship Tax Credit	TCS	6	0
AZ	Empowerment Scholarship Accounts*†‡§	ESA	4	0

V = Voucher, TCS = Tax-Credit Scholarship, ESA = Education Savings Account

\*Limited to students with special needs

†Limited to students in low-performing schools

‡Limited to students previously in foster care

§Limited to children of active military members

**TABLE 2.7** Programs Sorted by Program Scores, Excluding Transportation

State	Program	Type	Years Analyzed	Program Score, Excluding Transportation
WI	Milwaukee Parental Choice Program	V	25	-132
FL	John M. McKay Scholarships for Students with Disabilities Program*	V	16	-60
FL	Florida Tax Credit Scholarship Program	TCS	14	-58
OH	Cleveland Scholarship Program	V	20	-37
LA	Louisiana Scholarship Program†	V	7	-33
UT	Carson Smith Special Needs Scholarship Program*	V	10	-32
OK	Lindsey Nicole Henry Scholarships for Students with Disabilities*	V	5	-24
GA	Georgia Special Needs Scholarship Program*	V	8	-23
LA	School Choice Program for Certain Students with Exceptionalities*	V	5	-21
OH	Jon Peterson Special Needs Scholarship Program*	V	4	-15
OK	Oklahoma Equal Opportunity Education Scholarships	TCS	4	-12
OH	Educational Choice Scholarship Program†	V	10	-10
AZ	Original Individual Income Tax Credit Scholarship Program	TCS	18	-7
AZ	Low-Income Corporate Income Tax Credit Scholarship Program	TCS	9	-7
AZ	Lexie's Law for Disabled and Displaced Students Tax Credit Scholarship Program*‡	TCS	6	-7
GA	Qualified Education Expense Tax Credit	TCS	7	-6
OH	Autism Scholarship Program*	V	12	-5
IN	Choice Scholarship Program	V	4	-5
IA	School Tuition Organization Tax Credit	TCS	8	-3
PA	Educational Improvement Tax Credit Program	TCS	14	0
RI	Tax Credits for Contributions to Scholarship Organizations	TCS	9	0
IN	School Scholarship Tax Credit	TCS	6	0
AZ	Empowerment Scholarship Accounts*†‡§	ESA	4	+3

V = Voucher, TCS = Tax-Credit Scholarship, ESA = Education Savings Account

\*Limited to students with special needs

†Limited to students in low-performing schools

‡Limited to students previously in foster care

§Limited to children of active military members





## Appendix 3

*Types of School Choice Average Program Scores for Each Regulation Category’s Removal (see Table 29 and Table 31 for other categories)*

**TABLE 3.1** Types of School Choice Sorted by Average Program Scores, Excluding Application and Eligibility (for School)

Vouchers (All Programs Analyzed)	-26.17
Vouchers (Excluding Special Needs)	-34.60
Vouchers (Excluding Milwaukee)	-17.18
Vouchers (Excluding Milwaukee and Special Needs)	-12.00
<b>Vouchers for Students with Special Needs</b>	<b>-20.14</b>
Vouchers for Students with Special Needs (Excluding McKay)	-15.17
<b>Tax-Credit Scholarships (All Programs Analyzed)</b>	<b>-7.60</b>
Tax-Credit Scholarships (Excluding Special Needs)	-8.11
Tax-Credit Scholarships (Excluding Florida)	-2.67
Tax-Credit Scholarships (Excluding Florida and Special Needs)	-2.63
<b>Education Savings Accounts (Arizona)</b>	<b>0</b>

**TABLE 3.2** Types of School Choice Sorted by Average Program Scores, Excluding Certification, Licensure

Vouchers (All Programs Analyzed)	-30.42
Vouchers (Excluding Special Needs)	-41.60
Vouchers (Excluding Milwaukee)	-22.00
Vouchers (Excluding Milwaukee and Special Needs)	-21.25
<b>Vouchers for Students with Special Needs</b>	<b>-22.43</b>
Vouchers for Students with Special Needs (Excluding McKay)	-18.50
<b>Tax-Credit Scholarships (All Programs Analyzed)</b>	<b>-7.60</b>
Tax-Credit Scholarships (Excluding Special Needs)	-8.00
Tax-Credit Scholarships (Excluding Florida)	-3.67
Tax-Credit Scholarships (Excluding Florida and Special Needs)	-3.63
<b>Education Savings Accounts (Arizona)</b>	<b>+3.00</b>

**TABLE 3.3** Types of School Choice Sorted by Average Program Scores, Excluding Student Life, Health and Safety

Vouchers (All Programs Analyzed)	-31.17
Vouchers (Excluding Special Needs)	-42.80
Vouchers (Excluding Milwaukee)	-22.27
Vouchers (Excluding Milwaukee and Special Needs)	-21.25
<b>Vouchers for Students with Special Needs</b>	<b>-22.86</b>
Vouchers for Students with Special Needs (Excluding McKay)	-18.67
<b>Tax-Credit Scholarships (All Programs Analyzed)</b>	<b>-9.10</b>
Tax-Credit Scholarships (Excluding Special Needs)	-9.33
Tax-Credit Scholarships (Excluding Florida)	-4.33
Tax-Credit Scholarships (Excluding Florida and Special Needs)	-4.00
<b>Education Savings Accounts (Arizona)</b>	<b>+3.00</b>

**TABLE 3.4** Types of School Choice Sorted by Average Program Scores, Excluding Testing, Accountability

Vouchers (All Programs Analyzed)	-30.92
Vouchers (Excluding Special Needs)	-39.80
Vouchers (Excluding Milwaukee)	-22.55
Vouchers (Excluding Milwaukee and Special Needs)	-19.00
<b>Vouchers for Students with Special Needs</b>	<b>-24.57</b>
Vouchers for Students with Special Needs (Excluding McKay)	-18.67
<b>Tax-Credit Scholarships (All Programs Analyzed)</b>	<b>-9.90</b>
Tax-Credit Scholarships (Excluding Special Needs)	-10.22
Tax-Credit Scholarships (Excluding Florida)	-4.67
Tax-Credit Scholarships (Excluding Florida and Special Needs)	-4.38
<b>Education Savings Accounts (Arizona)</b>	<b>+3.00</b>

**TABLE 3.5** Types of School Choice Sorted by Average Program Scores, Excluding Financial Reporting, Disclosure

Vouchers (All Programs Analyzed)	-31.83
Vouchers (Excluding Special Needs)	-41.60
Vouchers (Excluding Milwaukee)	-23.27
Vouchers (Excluding Milwaukee and Special Needs)	-20.50
<b>Vouchers for Students with Special Needs</b>	-24.86
Vouchers for Students with Special Needs (Excluding McKay)	-19.00
<b>Tax-Credit Scholarships (All Programs Analyzed)</b>	-9.70
Tax-Credit Scholarships (Excluding Special Needs)	-10.00
Tax-Credit Scholarships (Excluding Florida)	-4.67
Tax-Credit Scholarships (Excluding Florida and Special Needs)	-4.38
Education Savings Accounts (Arizona)	+3.00

**TABLE 3.6** Types of School Choice Sorted by Average Program Scores, Excluding Student Eligibility, Admissions, Enrollment, Tuition

Vouchers (All Programs Analyzed)	-31.58
Vouchers (Excluding Special Needs)	-41.40
Vouchers (Excluding Milwaukee)	-23.09
Vouchers (Excluding Milwaukee and Special Needs)	-20.50
<b>Vouchers for Students with Special Needs</b>	-24.57
Vouchers for Students with Special Needs (Excluding McKay)	-19.17
<b>Tax-Credit Scholarships (All Programs Analyzed)</b>	-10.00
Tax-Credit Scholarships (Excluding Special Needs)	-10.33
Tax-Credit Scholarships (Excluding Florida)	-4.67
Tax-Credit Scholarships (Excluding Florida and Special Needs)	-4.38
Education Savings Accounts (Arizona)	0

**TABLE 3.7** Types of School Choice Sorted by Average Program Scores, Excluding Transportation

Vouchers (All Programs Analyzed)	-33.08
Vouchers (Excluding Special Needs)	-43.40
Vouchers (Excluding Milwaukee)	-24.09
Vouchers (Excluding Milwaukee and Special Needs)	-21.25
<b>Vouchers for Students with Special Needs</b>	-25.71
Vouchers for Students with Special Needs (Excluding McKay)	-20.00
<b>Tax-Credit Scholarships (All Programs Analyzed)</b>	-10.00
Tax-Credit Scholarships (Excluding Special Needs)	-10.33
Tax-Credit Scholarships (Excluding Florida)	-4.67
Tax-Credit Scholarships (Excluding Florida and Special Needs)	-4.38
<b>Education Savings Accounts (Arizona)</b>	+3.00

## Appendix 4

### Current School Choice Programs within the Analyzed Program Types

State or Jurisdiction	Program	Type	Year Launched
VT	Town Tuitioning Program	V	1869
ME	Town Tuitioning Program	V	1873
WI	Milwaukee Parental Choice Program	V	1990
OH	Cleveland Scholarship Program	V	1996
AZ	Original Individual Income Tax Credit Scholarship Program	TCS	1997
FL	John M. McKay Scholarships for Students with Disabilities Program*	V	1999
FL	Florida Tax Credit Scholarship Program	TCS	2001
PA	Educational Improvement Tax Credit Program	TCS	2001
DC	Opportunity Scholarship Program	V	2004
OH	Autism Scholarship Program*	V	2004
UT	Carson Smith Special Needs Scholarship Program*	V	2005
AZ	Low-Income Corporate Income Tax Credit Scholarship Program	TCS	2006
IA	School Tuition Organization Tax Credit	TCS	2006
OH	Educational Choice Scholarship Program†	V	2006
GA	Georgia Special Needs Scholarship Program*	V	2007
RI	Tax Credits for Contributions to Scholarship Organizations	TCS	2007
GA	Qualified Education Expense Tax Credit	TCS	2008
LA	Louisiana Scholarship Program†	V	2008
AZ	Lexie’s Law for Disabled and Displaced Students Tax Credit Scholarship Program*‡	TCS	2009
IN	School Scholarship Tax Credit	TCS	2010
OK	Lindsey Nicole Henry Scholarships for Students with Disabilities*	V	2010
AZ	Empowerment Scholarship Accounts*†‡§	ESA	2011
CO	Douglas County Choice Scholarship Pilot Program	V	2011
IN	Choice Scholarship Program	V	2011
LA	School Choice Program for Certain Students with Exceptionalities*	V	2011
WI	Parental Private School Choice Program (Racine)	V	2011
AZ	“Switcher” Individual Income Tax Credit Scholarship Program	TCS	2012
LA	Tuition Donation Rebate Program	TCS	2012
MS	Mississippi Dyslexia Therapy Scholarship for Students with Dyslexia Program*	V	2012
OH	Jon Peterson Special Needs Scholarship Program*	V	2012
PA	Opportunity Scholarship Tax Credit Program†	TCS	2012
AL	Alabama Accountability Act of 2013 Tax Credits for Contributions to Scholarship Granting Organization	TCS	2013
MS	Nate Rogers Scholarship for Students with Disabilities Program*	V	2013
NH	Education Tax Credit Program	TCS	2013
OH	Income-Based Scholarship Program	V	2013
OK	Oklahoma Equal Opportunity Education Scholarships	TCS	2013
VA	Education Improvement Scholarships Tax Credits Program	TCS	2013
WI	Parental Choice Program (Statewide)	V	2013
FL	Florida Personal Learning Scholarship Accounts	ESA	2014
KS	Tax Credit for Low Income Students Scholarship Program	TCS	2014
NC	Opportunity Scholarships	V	2014
NC	Special Education Scholarship Grants for Children with Disabilities*	V	2014
SC	Educational Credit for Exceptional Needs Children*	TCS	2014

V = Voucher, TCS = Tax-Credit Scholarship, ESA = Education Savings Account

\*Limited to students with special needs †Limited to students in low-performing schools

‡Limited to students previously in foster care §Limited to children of active military members

Source: The Friedman Foundation for Educational Choice, *The ABCs of School Choice: The Comprehensive Guide to Every Private School Choice Program in America*, 2014 ed. (Indianapolis: Friedman Foundation for Educational Choice, 2014), <http://www.edchoice.org/ABCs>.



## Notes

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8. Hammons, *Fifty Educational Markets*.
9. *Ibid.*, p. 228.
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15. Coulson, "Do Vouchers," pp. 224-51.
16. Greg Forster, *Funding School Choice: A Road Map to Tax-Credit Scholarship Programs and Scholarship Granting Organizations*, School Choice Issues in Depth (Indianapolis: Friedman Foundation for Educational Choice, 2006), p. 6, <http://www.edchoice.org/Research/Reports/Funding-School-Choice--A-Road-Map-to-Tax-Credit-Scholarship-Programs-and-Scholarship-Granting-Organizations.aspx>.
17. Although they are known as SGOs in Ala., Ind., Okla., and R.I., these organizations also have the monikers school tuition organizations (STOs in Ariz., Iowa, and La.), scholarship funding organizations (SFOs in Fla. and S.C.), student scholarship organizations (SSOs in Ga.), scholarship organizations (SOs in N.H. and Pa.), and scholarship foundations (SFs in Va.).
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19. Stuit and Doan, *School Choice Regulations*, p. 31.
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21. Wis. will be fully tracked year-to-year using LexisNexis in the next version of this report.
22. Relevant annotated state statutes in LexisNexis date back to 2005 for Maine and 1969 for Vermont.
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25. Office of Non-Public Education, *State Regulation of Private Schools*, (Washington, DC: US Dept. of Education, Office of Innovation and Improvement, Office of Non-Public Education, 2009), <http://www2.ed.gov/admins/comm/choice/regprivschl/regprivschl.pdf>.
26. See note 19 above.
27. *Ibid.*
28. Hammons, *Fifty Educational Markets*.
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30. Office of Non-Public Education, *State Regulation*. The administrative code is, in fact, the tool used in states to clarify or define technical gaps in state statutes that would interfere with compliance, if left unresolved.
31. Rabbi A.D. Motzen (national director of state regulations, Agudath Isreal of America), e-mail message to author, Mar. 12, 2014.
32. Friedman Foundation, "Fast Facts."
33. Friedman Foundation, *ABCs of School Choice*, p. 97.
34. Wis. was the first state for data collection and, as such, the state's legislative website was used instead of LexisNexis. Although this affects year-to-year tracking, it does not affect the scores in the table since all applicable changes were still tracked. See note 22 above.
35. Friedman Foundation, *ABCs of School Choice*, p. 69.



36. Ohio recently changed its rating system to an A-F system. It is quite confusing during the transition years since eligibility is based on receiving a D or F in two categories (Achievement and Value Added). Although the ratings of “excellent” and “effective” no longer exist, they still apply to all years of statutes analyzed. See note 31 above.
37. Friedman Foundation, *ABCs of School Choice*, p. 73.
38. *Ibid.*, p. 45.
39. *Ibid.*, p. 37.
40. Author’s calculation based on cross-referencing data gathered from Ind. Dept. of Education, *Accredited Non-Public School Enrollment*, 2013, <http://www.doe.in.gov/accountability/find-school-and-corporation-data-reports>; and “Search for Private Schools,” PSS Private School Universe Survey, accessed Feb. 12, 2014, <http://nces.ed.gov/surveys/pss/privateschoolsearch>.
41. Author’s calculation based on data in Friedman Foundation, *ABCs of School Choice*.
42. Friedman Foundation, *ABCs of School Choice*, p. 25.
43. *Ibid.*, p. 71.
44. *Ibid.*, p. 91.
45. *Ibid.*, p. 29.
46. *Ibid.*, p. 49.
47. *Ibid.*, p. 79.
48. *Ibid.*, p. 75.
49. See note 2 above.
50. Ariz. Dept. of Revenue, *Private School Tuition Organization Income Tax Credits in Arizona: A Summary of Activity – FY 2013* (Phoenix: Ariz. Dept. of Revenue, 2014), pp. 6-8, <http://www.azdor.gov/ReportsResearch/SchoolTaxCredit.aspx>.
51. Friedman Foundation, *ABCs of School Choice*, p. 27.
52. *Ibid.*, p. 83.
53. *Ibid.*, p. 85.
54. Ariz. Dept. of Revenue, *Private School Tuition*, pp. 15-16.
55. Friedman Foundation, *ABCs of School Choice*, p. 87.
56. *Ibid.*, p. 43.
57. *Ibid.*, p. 31.
58. Ariz. Dept. of Revenue, *Private School Tuition*, pp. 19-20.
59. Friedman Foundation, *ABCs of School Choice*, p. 35.
60. *Ibid.*, p. 81.
61. Hiner, “BRIEF: School Choice in the States April 2014.”
62. Friedman Foundation, *ABCs of School Choice*, p. 17.
63. Fla. Stat. Ann. § 1002.421 (LexisNexis 2014).
64. Ind. Code Ann. § 20-51 (LexisNexis 2014).
65. Ariz. Rev. Stat. Ann. §§ 43-1601 through 1605 (LexisNexis 2014).
66. *Ibid.*, §§ 43-1501 through 1507 (LexisNexis 2014).
67. See note 31 above.
68. Clint Bolick, *Voucher Wars: Waging the Legal Battle over School Choice* (Washington, DC: Cato Institute, 2003), p. 20.
69. See note 31 above.
70. Coulson, “Do Vouchers,” abstract.
71. Stuit and Doan, *School Choice Regulations*, p. 28.
72. *Ibid.*, p. 26.
73. “The superintendent of public instruction, in accordance with rules adopted by the department of education, shall annually reimburse each chartered nonpublic school for the actual mandated service administrative and clerical costs incurred by such school during the preceding school year in preparing, maintaining, and filing reports, forms, and records, and in providing such other administrative and clerical services that are not an integral part of the teaching process as may be required by state law or rule or by requirements duly promulgated by city, exempted village, or local school districts. The mandated service costs reimbursed pursuant to this section shall include, but are not limited to, the preparation, filing and maintenance of forms, reports, or records and other clerical and administrative services relating to state chartering or approval of the nonpublic school, pupil attendance, pupil health and health testing, transportation of pupils, federally funded education programs, pupil appraisal, pupil progress, educator licensure, unemployment and workers’ compensation, transfer of pupils, and such other education related data which are now or hereafter shall be required of such nonpublic school by state law or rule, or by requirements of the state department of education, other state agencies, or city, exempted village, or local school districts...” Ohio Rev. Code Ann. § 3317.063 (LexisNexis 2014).
74. “The superintendent of education, in accordance with rules and regulations adopted by the Board of Elementary and Secondary Education, shall annually reimburse each approved nonpublic school, for each school year beginning on and after July, 1979, an amount equal to the actual cost incurred by each such school during the preceding school year for providing school services, maintaining records and completing and filing reports required by law, regulation or requirement of a state department, state agency, or local school board to be rendered to the state, including but not limited to any forms, reports or records relative to school approval or evaluation, public attendance, pupil health and pupil health testing, transportation of pupils, federally-funded educational programs including school lunch and breakfast programs, school textbooks and supplies, library books, pupil appraisal, pupil progress, transfer of pupils, teacher certification, teacher continuing education programs, unemployment, annual school data, and any other education-related data which are now or hereafter shall be required of such nonpublic school by law, regulation or requirement of a state department, state agency, or local school board.” La. Rev. Stat. Ann. § 17:361 (LexisNexis 2014).

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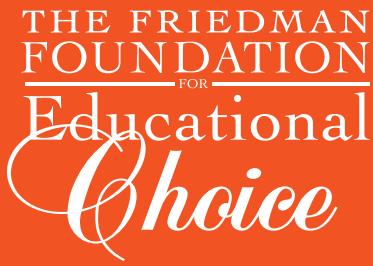
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The author welcomes any and all questions related to methods and findings.



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