

National School Choice Leaders Should Avoid “One-Size-Fits-All” Approach to Tuition Tax Credit Programs

By Jim Kelly and Ben Scafidi
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Yesterday, *The New York Times* published a front-page article describing certain student scholarship organization abuses that are occurring in Georgia’s k-12 tuition tax credit program. Noticeably, the article mentioned neither the wonderful educational opportunities the program is providing to thousands of Georgia students, nor the financial support provided by thousands of contributors to qualified scholarship organizations. Many school choice supporters view the Georgia program as one of the most attractive of its kind in the nation.

Unfortunately, rather than call for reforms that would remedy the limited abuses, John Kirtley, the Vice-Chairman of American Federation for Children and the leader of Florida’s Step Up for Students tuition tax credit scholarship program, used the publication of the article as an opportunity to advance a one-size-fits-all, top-down, regulatory approach to educational choice.

In his blog post, Mr. Kirtley gives credit to the article’s author for positively referencing certain “statutory and regulatory standards” of the Florida tuition tax credit program. Of course, it makes sense that an article published by a newspaper with a long-established hostility toward the school choice movement would commend the restrictive Florida program as a model, while selectively criticizing the questionable practices of a few Georgia student scholarship organizations.

In response to *The New York Times* article, while defending the overall design of Georgia’s tuition tax credit program, the Georgia GOAL Scholarship Program called for the state legislature to adopt the reforms that are necessary to prevent the abuses cited in the article. Unfortunately, Mr. Kirtley rejected this approach in favor of one that, rather than defending the outstanding results achieved in Georgia, portrays any tuition tax credit program that does not meet his restrictive Florida standards as being in need of an overhaul.

Obviously, the national school choice movement is at a critical crossroads- either encourage a number of diverse statutory approaches to school choice to flourish in the various states; or, run the risk of creating the same type of education monopoly that it is attempting to reform.

As a matter of fact, school choice advocates in states that are considering tuition tax credit legislation, or that have adopted weaker laws, envy some key features of the Georgia Education Expense Credit program.

- Unlike the more limited Florida law, under which only corporations can contribute to scholarship organizations in exchange for an income tax credit (there is no individual income tax in Florida), the Georgia program permits individuals

and corporations to contribute to qualified scholarship organizations.

- Unlike the more limited Florida law, to motivate individual taxpayers to contribute, Georgia student scholarship organizations (“SSOs”) and the Georgia Department of Revenue (“DOR”) permit contributors to designate the private schools at which they would like the SSOs to use their contributions for the provision of scholarships to qualifying families. As a result, each year, thousands of Georgia taxpayers have an opportunity to evaluate whether the SSOs to which they contributed in the prior year, and the private schools with which they are partnering, are operating in a manner that justifies a current year contribution.
- Unlike the case in Florida, where a relatively small number of corporate contributors and a single scholarship organization control almost all of the contribution solicitation and scholarship administration activities, by permitting qualified, tax-exempt non-profit organizations to enter the SSO marketplace and compete for contributions (subject to the required filing of audited financial statements with the DOR and the reporting of scholarship contributions and awards to the DOR), Georgia prevents a SSO monopoly.
- Unlike the more limited Florida law, the awarding of scholarships is not limited to low-income families, with many financially burdened middle-income families being able to enjoy the same educational choices that more affluent families can exercise.
- Unlike the restrictive Florida law, where a participating private school has no voice in deciding whether a scholarship recipient and his family will thrive at the private school of their choice, participating private schools in Georgia, which have embraced the opportunity for greater student diversity, can recommend scholarship candidates that have met their regular criteria for admission.
- Unlike the restrictive Florida law, which caps scholarships at an approximate \$5,000 annual amount, scholarships awarded in Georgia may be as high as the average per pupil state and local cost to educate a child, or approximately \$9,000. This higher maximum scholarship amount provides low-income families with access to some of Georgia’s most outstanding private schools.
- Unlike the restrictive Florida law, in Georgia, as a condition of participating in the tuition tax credit program, the government cannot impose any testing, student data collection, or other state mandates on the private schools, beyond those to which they are presently subject under state law.
- Unlike the restrictive Florida law, which limits the scholarship organization administrative fees to three percent of contributions (an amount made possible given that the thousands of scholarship applicants must pay a fee to have their applications considered and additional staff are not needed to process tens of thousands of individual taxpayer contribution forms and payments), in Georgia,

an administrative fee of up to ten percent is permitted (though few of the leading SSOs charge the entire amount).

- Unlike the restrictive Florida law, where the test scores of scholarship recipients must be reported to an independent research entity that publishes the overall learning gains of students, Georgia's program appreciates that parents might be choosing a particular private school as much for an effective moral or character education program, the physical safety of their children, or a college preparatory education as they are for the chance of improved scores on standardized tests. The controversy over whether excessive standardized testing in public schools has resulted in teachers "teaching to the test" is one more reason to grant parents the option of sending their children to a private school that may have avoided this phenomenon to the benefit of student learning.

Certainly, John Kirtley and his friends in Florida and the national school choice movement have every right to seek to promote in other states their vision of what they consider the "best designed" tuition tax credit program. Most likely, some of them will continue to hire lobbyists at state capitols around the country to do so. This is the democratic way. However, as they do so, they should remember that, when a handful of politically-connected and well-funded leaders gain control over the design and administration of a public service, there is always a temptation to use their power to impose their idea of the "one true way" to deliver that service. In fact, this phenomenon is at the core of many of the problems that have arisen in public education in America over the past 50 years.

Debate is healthy in any reform movement, and the school choice movement is no exception. As that debate continues, leaders of the school choice movement in America should unite to defend state programs against unwarranted or distorted attacks, with an eye toward adopting targeted solutions to any shortcomings. Likewise, leaders of the movement should trust school choice advocates in each state to design and implement what they perceive to be the school choice programs that will best serve the citizens of their state.

John Kirtley's May 22nd post on the RedefinEd blog is available at the following link:

<http://www.redefinedonline.org/2012/05/design-for-school-choice-programs-is-crucial/>

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