

Florida State University

NO CHILD LEFT BEHIND:

An Analysis of the Private Schools' Role
in Addressing Capacity Issues
in Florida

AN ACTION REPORT SUBMITTED TO
THE FACULTY OF THE COLLEGE OF SOCIAL SCIENCE
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BY

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Dear Dr. Bowman:

I have the honor to submit to you *No Child Left Behind: An Analysis of the Private Schools' Role in Addressing Capacity Issues in Florida*. The report is the product of extensive research and analysis during the fall of 2003. Private school involvement in the voucher programs currently in place in the state of Florida is of utmost importance if we are to adequately educate all children. However, many private schools are not participating in these voucher programs due to several factors. It is my intent to provide incentives to encourage their participation and such was the goal of this paper.

After examining several alternative policies, my recommendation is that Florida should concentrate on prevention of government over-regulation to ensure that the private schools feel comfortable in participating in state-funded voucher programs. This policy alternative was recommended based on the use of three evaluative criteria: cost, political feasibility, and administrative feasibility. Prevention of government over-regulation scores very high on the cost criterion because essentially financial pressures as such will not be an issue. For political feasibility it scores fairly high due to popularity of this alternative. Administrative feasibility was found to be questionable because the increased workload for both the public and private sectors must be taken into account. However, this should not deter either sector from endorsing this alternative.

Prevention of government over-regulation may become the building block of a comprehensive system of private sector involvement in helping to accomplish the NCLB objectives and Governor Bush's A+ Program. This collaboration between the three sectors of the economy would result in increased educational opportunities for Florida's children, as it seeks to integrate the voucher programs into the academic agenda of policy makers. Private school partnership is a necessary component if the goal of education is to be realized and school choice initiatives such as vouchers must be an integral part.

Therefore the recommendation of prevention of government over-regulation has great merit and will likely influence the participation level of the non-public schools. The results may yield positive results for Florida education in all capacities.

Sincerely,

Mary E. Goldsmith
CEI, Director of Operations

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Executive Summary

Private school involvement is vital for the continued success of the voucher programs that are available to qualifying students in the State of Florida. In order to ensure that no child is left behind and that Governor Bush's A+ plan is fulfilling its mission, this component of school choice has been put in place. The private sector must be continually enlisted to help lead and facilitate this process. Thus vouchers should be utilized by all three sectors and, yet, the private school's role is quite minimal. Public schools may not properly fulfill all the needs of voucher recipients; thus incentives for encouraging the participation of the private sector have to be explored.

Charter schools, vouchers, and home education are three components of school choice that are discussed in detail. Current literature discusses private versus public competition, parental satisfaction, comparative test scores, private school willingness, and academic improvement in private schools.

Information for this report was collected using several methods. First, popular media, surveys, and academic literature were analyzed to provide background information and insight into public and private support of vouchers. Second, applicable laws and standards were reviewed to determine statutory recruitments on voucher options. Third, the Florida Department of Education, key members of the Florida Association of Academic Non-public schools (FAANS) and other authorities in the field of school choice were interviewed to discuss legal ramifications, political viability, and public support for increasing private school involvement in voucher programs.

This report presents three policy options for increasing participation in voucher programs: Voucher value increase, Business funding, and Prevention of government over-regulation. Each option is evaluated against three criteria: cost, political feasibility, and administrative feasibility.

Based on assessment of the alternatives using the three evaluative criteria, prevention of government over-regulation is recommended. By preventing government from increasing regulation towards the private sector, as is presently the case under Florida law, private and not-for-profit institutions would more readily participate in statewide voucher programs. Since over-regulation is the greatest fear, this is the most logical step in bridging the gap between the numbers of students currently attending failing schools that might otherwise be educated privately. The State would likely accept this policy alternative, as their role in education would be minimized with the additional support of non-public schools. The other two options would require the minimization of government regulation in order to maximize their potential. Thus at this point it seems most feasible to address the issue of government regulation before attempting to increase the voucher value or including other resources (such as business funds) to the voucher subsidies. By preventing over-regulation, the private sector will be provided the incentive that it so desires to heighten its participation in Florida's voucher programs so that children may receive the education that they need and deserve.

I. Problem Statement

In order to accomplish the national goal of “leaving no child behind” in Florida one must utilize all available resources. If the goal is to reach fruition, the assistance of the private sector may be necessary. By redefining the federal function in K-12 education, the No Child Left Behind (NCLB) Act of 2001 has narrowed the achievement gap between disadvantaged and minority students. This daunting task may be accomplished with the collaboration of the public and private sectors (J.C. Bowman, personal communication, September 17, 2003).

The A+ plan in Florida has collaborated with NCLB in an attempt to effectively educate its students. This leads to the concept of school choice, which identifies students as members of a particular scholastic grouping: public school, private school, charter school, home school, and the voucher system. The problem of determining the number of seats that the private schools may collectively offer has greatly intensified, according to the Florida Department of Education (2003), and emphasized by Governor Bush. As a result the Center for Education Innovation has been asked to research and obtain data relating to the number of seats that are indeed available in the private schools (Center for Education Innovation, 2003).

If capacity in the private sector is a problem, then school choice will have no affect in accomplishing the goal of educating all children. In rural and lower socioeconomic counties, there is often a shortage of public school options available to students transferring from a failing school. Therefore it is left to the private sector to offer a seat. Capacity is indeed the largest problem for voucher students hoping to attend

private schools. This shortage conflicts with the president's national goal of NCLB, as well as the Governor's goals for the state of Florida (Bowman, personal communication, August 6, 2003). Students are not leaving the "failing" schools because either there is not a feasible public school option or because the private sector has failed to make room for them due to lack of space. Poor public schools continue to educate poverty stricken students as opposed to the implementation of an efficient alternative (Flexibility, 2001).

The state's highest-ranking officials have noted the magnitude of capacity issues. As J.C. Bowman, former director of school choice for the state of Florida affirmed:

We need highly focused strategies that target severe, long-standing system impediments, many of which are being addressed under Governor Bush's A+ Plan. Parental choice will benefit families in Florida, if private schools have the ability and willingness to accommodate additional students. Research is limited, but could easily be conducted, to determine whether or not private schools have the resources and capacity to take on more students, and if private schools would be willing to participate in reform proposals to reduce public school overcrowding or expand their facilities to accept a growing number of families empowered with the ability to choose schools outside of the public system (personal communication, August 25, 2003).

The significance of this issue was seen through previous research conducted by the Texas Public Policy Foundation in the mid 1990's (Dougherty & Becker, 1995) and was further delineated by the Heritage Foundation (Rees, 1999). In these analyses, advocates of school choice asserted that students would attain improvements in educational opportunities in two ways. First, students would receive immediate benefits from the ability to move from under-performing public schools to private schools with superior academic programs. Second, the students who did not choose to attend other schools would benefit as the public schools improve with the increase in competition from private schools. However, this presumption maintains that the public schools possess viable private school options and that space is available for students to make the

transition to such private institutions (Dougherty & Becker, 1995). Unfortunately this is not always the case. Capacity issues have become increasingly problematic; as there are increasing numbers of voucher recipients without an educational facility to attend contends J.C. Bowman (personal communication, September 16, 2003). As such, the Florida private school sector needs financially structured incentives to participate in choice programs. It is crucial that the State's private institutions make the collaborative effort of capitalizing on the other's fiscal strengths and, when necessary, call upon business and government to supplement the difference.

Private school capacity must be addressed or school choice may fail. Thus the ultimate purpose of this report is to examine alternative solutions for increasing student capacity in the private sector.

II. **BACKGROUND & LITERATURE REVIEW**

Background

In order to accurately comprehend the importance of the private school's role in accomplishing No Child Left Behind and the A+ plan, it is necessary to define private schools and then to discuss the three key components of school choice: vouchers, charter districts, and home school. Each of these has become major forefront issues in education policy. Therefore, the historical evolution of each of these aspects will be discussed. It is also important to understand the capacity ramifications associated with school choice in the private sector. In doing so one must possess a clear understanding of the differences between the laws that mandate the education of Florida's children: "No Child Left Behind" and the A+ plan (see Appendix A for more information). In addition to the

three before mentioned components of school choice, two other topics will be discussed:
the mission and definition of school choice as it relates to capacity issues

Private School

According to Florida Statutes (2003, s. 90, ch. 2002-387) a private school may be defined as:

a nonpublic school defined as an individual, association, co-partnership, or corporation, or department, division, or section of such organizations, that designates itself as an educational center that includes kindergarten or a higher grade or as an elementary, secondary, business, technical, or trade school below college level or any organization that provides instructional services that meet the intent of s. 1003.01(14) or that gives pre-employment or supplementary training in technology or in fields of trade or industry or that offers academic, literary, or career and technical training below college level, or any combination of the above, including an institution that performs the functions of the above schools through correspondence or extension, except those licensed under the provisions of chapter 1005. A private school may be a parochial, religious, denominational, for-profit, or nonprofit school. This definition does not include home education programs conducted in accordance with s. 1002.41.

Vouchers

Vouchers are supported by parents and concerned citizens alike, and are indeed constitutional, according to Viteritti (1998). Historically, the Supreme Court has made contradictory decisions when regarding vouchers. For instance, the Court has tolerated programs that loaned secular textbooks to students in religious institutions, supplied grants to religious academies for secular purposes, refunded parents of religious-school children for transportation costs accrued at the public level, and reimbursed the cost of administering standardized tests to religious institutions. On the other hand, however, the Court has eliminated government subsidized programs that have provided remedial education classes to students of religious institutions taught by public school officials, loaned secular materials and equipment to religious institutions, and refunded low-income parents for tuition expenditures accrued at private institutions (Lewin, 1999).

Currently, the Supreme Court has focused on the *manner* in which the public support is imparted rather than the *kind* of aid that has been endowed. Essentially the constitutionality of vouchers has been assessed by defining *how* the public aid has been directed to religious institutions, as opposed to *what* aid has been intended for them. That in and of itself is the vital issue that has evolved today. By instituting independent private choice, the government is assured of their lack of involvement in “establishing” religion, a direct violation of the U.S. constitution (Lewin, 1999). Much of this debate has been resolved through use of the Blaine Amendment, which comprises Florida’s religion provision. Blaine amendments were named after a failed federal constitutional amendment introduced by U.S. Senator James G. Blaine in 1875. This was the result of an attempt by the Catholic sect to obtain funding for their institutions, whose clients were unwilling to send their students to Protestant schools. The issue quickly became politicized and bipartisan politics took over. Despite a narrow defeat of the Blaine amendment in the Senate most states have adopted Blaine-like language into their constitution, but the Institute for Justice is confident that the Supreme Court will rule in favor of liberty, ensuring that such constitutional provisions are not utilized to discriminate against those whose preference is religious institutions (Komer. 2002).

The concept of vouchers is quite controversial in nature and elicits much animosity from traditionally liberal groups, such as the teachers union (Voucher Symposium, 2003). Vouchers often bridge the gap between students and private schools. Without the financial support that vouchers offer, students from low-income families are unable to subsidize the difference in cost. James Coleman (Coleman & Hoffman, 1987) was a leading researcher in the field of school choice in the 1980’s and it was his belief

that private schools produce better racial integration than public schools since minority students are more evenly distributed amongst private institutions. Based on these findings, Coleman and his counterparts suggested that providing vouchers or tax credits for families to select the school of their choice, whether public or private would enhance educational achievement and improve racial integration. However, many other researchers remained unconvinced of the validity of this statement and argued that the relatively low percentage of minority students in private schools indicated that school choice in fact caused greater segregation. The two sides were deadlocked for many years until John Witte (1999) released data obtained from the school choice program in Milwaukee and other privately funded school choice programs greatly turning the tide of the general attitude towards vouchers and their results. Jay Greene, of the Center for Civic Innovation at the Manhattan Institute (2000), continued gathering data to this end and proceeded to answer three key questions relating to academic effects of school choice on families, public school, and civic values.

A study conducted by the nonprofit Collins Center for Public Policy in Tallahassee, Florida maintains that the Corporate Tax Credit scholarship program does not divert money from the public school system. Instead through a tax credit program, monies that corporations would have normally spent in state taxes may now be diverted to a scholarship fund that provides vouchers of up to \$3,500 to subsidize private school tuition. The report concludes that over a ten-year period, the possible net revenue for public education in Florida could result in a \$20 per pupil increase in annual funds for the public schools. The cap on the corporate tax credit program is set at \$88 million (Hegarty, 2002).

Evaluation of publicly-funded pilot school choice programs conducted in Milwaukee and Cleveland, and privately-funded programs in Washington, D.C., New York, and San Antonio all generate consensual agreement that positive results have stemmed from the programs and thus expansion and continuation are in order. The competition often spins the research and evaluations, but upon examination of the actual evaluation, it is clear that the results are indeed positive. This collective belief in the progression of vouchers is quite remarkable considering the political contentiousness of the issue (Greene, 2000).

Charter Districts

Legislation approving charter schools in Florida occurred in 1996 and Florida Statute 228.056 officially authorized their establishment. The adoption of a model charter district law occurred in the legislative session of 1999. The goal of charter schools and charter districts emphasized increased learning opportunity choices for low achieving students, unique and innovative learning tools, increased accountability, and a concrete measurement system for learning outcomes. In addition, charter schools were designed to provide rigorous competition amongst its school district with hopes of improvement in public education across the board (School Board of Broward County, 2002). Three types of charter schools are in existence: 1. *Start-ups*: small, specialized schools, which help at-risk, disadvantaged, and special needs students. This also includes many core academic and back-to-basic schools. 2. *Conversion Schools*, which are existing public schools adopting a charter status or change agent schools for active public school reform. 3. *Community Partnership schools*, which are schools in the workplace for

greater family access, communities and cities helping to operate schools, and universities and museums starting their own schools (Bowman, 2003).

In 1997, as few as 60 charter schools served students, but by 2002 FLDOE evidence purported that 188 charter schools were in existence serving approximately 50,000 students, or 1.7% of the K-12 population in Florida (School Board of Broward County, 2002). The current number of charters stands at 262 (FLDOE, 2003). Until recently, the number of charter school permitted was based upon student enrollment per district and thus the number was increased or decreased based upon district size. District that enrolled 100,000 or more students were capped at 28 charter schools. 50,000 to 99,999 students were capped at 20 charters and districts that enrolled less than 50,000 students were capped at 12 charter schools (School Board of Broward County, 2002). However, now the caps have been lifted in an attempt to increase choice options.

Statistics have proven that a growing number of charter school students attend schools that are more suited to their race. Although it is not stated directly, parents tend to place their children in charter schools that contain a larger contingency of students of their own race and socioeconomic background. In fact, from a sample taken in Texas, the average African American student transferred to a charter school whose percentage of black students was 14% higher than the school he or she had formerly attended. Despite the fact that academic performance is stated to be the number one indicator of a chosen school, other factors appear to play a large role as well (Weiher & Kent, 2002). Charters in Florida tend to serve minority, low-income and exceptional student education students (ESE) and thus the waiting lists for such schools are rather long. Parental involvement is also increased as a result. The 2002-03 racial demographics for charters maintain the

following: 46% Caucasian, 29% African-American, 22% Hispanic, 1% Asian, and 2% multi-racial. In addition, 26% of charter students are economically disadvantaged and 16% are ESE. (Bowman, 2003).

Home Education

In America, parents have traditionally been viewed as the primary educators of their children. Public and private schools have gradually assumed this task for most families. However, beginning in the 1980's home education began to be seen as another viable option. The laws that govern home education were designed to protect and provide accountability measures for the students that it serves, with minimum government interference. But it was not until 1985 that the accountability provisions or evaluations were actually written into the law. These higher standards were readily accepted by home school proponents with the provision that parents would remain in control of the proposed evaluations. In recent years, school choice accountability has become the innovative buzzword. Home-school families have grown increasingly worried about government regulation, despite the fact that they have experienced minimal interference since voucher programs are strictly regulated. However, home educators do not receive federal dollars; therefore they are exempt from scrutiny and intervention as long as their students succeed academically (Dicken, 2003).

According to the Statistical Brief released in 2002-2003, there are currently 29,892 home educating families in the state of Florida. That makes a total of 45,333 home-schooled children in the State. (Choice Office, 2003).

Mission

The mission of Florida's accountability system under NCLB is to "increase the proficiency of all students within one seamless efficient system; by expanding their knowledge and skills through learning opportunities and research valued by students, parents, and communities; and to maintain an accountability system that measures student success towards these goals:

- Highest student achievement
- Seamless articulation and maximum access
- Skilled workforce and economic development
- Quality efficient services" (Winn, 2003, p. 9).

School Choice

According to Bowman, school choice may be defined as "empowering parents to choose the best education for their child, be it public, private, or home school." He then added: "A more accurate way to describe this is *parental choice*" (personal communication, August 6, 2003). Representative Attkisson (personal communication, November 19, 2003) concurs with this opinion and emphasizes that the real issue behind the voucher programs is that parents have a choice about their child's education. Thus, whether it is through vouchers, charter schools, voluntary public school choice, private or home education, school choice is comprised of many valuable components.

Research has been performed regarding the issue of school choice and each of its components. Capacity issues have been discussed at length; however, the crucial role of the private sector in seeking to increase the number of available seats has not been efficiently capitalized upon. The manner in which private institutions in Florida may grow their student base has not been logically defined. And the barrage of parents whose children would conceivably employ this option, due either to the "F" status of

their current schools or failure to make adequate yearly progress under NCLB is overwhelming. Thus this project will define the role that the private schools must play in emerging as leaders in the school choice arena.

Since private schools and their property are exempt from taxation, they possess a greater monetary ability to increase their capacity (State Regulation, 2000). Hence, it would seem that private schools in Florida have a financial incentive and even a vested interest in advancing the cause of school choice. But their current limited capacity is somewhat prohibitive of such. Private school involvement in both NCLB and the A+ plan is thereby critical for their success. With the uncertainty of the number of private schools willing to participate in the choice programs, as well as the number of students that they have room to enroll, much work must be done to clarify these questions.

Assumedly, the private schools must be given an incentive to participate in the voucher programs and that alternative will be explored in subsequent sections of the report.

In summary, each of the school choice components discussed above directly affects the ins and outs of private school involvement in accomplishing the objectives of NCLB and the A+ Plan through use of the voucher. As such it was necessary to understand the background of vouchers, charter schools, and home schools so that an appropriate assessment may be made as to how the private sector may be given adequate incentive to participate in school choice. Understanding the definition of such key words as school choice and private schools, coupled with a description of the mission behind NCLB objectives gives the reader a better understanding of why capacity is indeed a significant problem and why this dilemma must be resolved.

Literature Review

The pertinent literature discusses: public/private school competition, parental satisfaction, comparative test scores, private school willingness, and academic improvement in private school students. The works below illustrate these issues.

Private vs. Public Competition

First, the past literature, according to Maranto, Milliman, & Stevens (2000), contradicts the positive linkage between private school vouchers and the ensuing public school competition. However, new research asserts that the relationship is indeed legitimate. In fact, in contrast to Smith and Meier's (1995) belief, it has been argued that private school competition does not interfere with the public school success. This tentative thesis is based upon the definition of competition as "a viable exit threat" (p.6). The A+ Program theory attests that the prospect of student loss and generated revenue therein through vouchers redeemable at private schools will arouse low-performing schools to action (Greene & Winters, 2003). The market for private institutions is a poor substitute for competition in the public sector schools, due to poverty and the way it often prohibits low-income students from students from exiting the system and to moving into the other arena. As such, Maranto's et al. (2000) justification is valid. Their assertion that private school enrollment is most closely correlated with low-test scores and low family income in the public sector denotes that competition in this regard is virtually non-existent; therefore negating the need to make this argument at all. In short, the clientele with which school choice options generally serve are lower socioeconomic families and their exiting the system does not harm the public sector in the slightest (Maranto, 2000).

Private schools tend to foster a competitive educational environment through their use of voucher programs by creating a unique contingency of edifying options. They then must decide whether or not to accept governmental funding for their choice programs, which determines the level of federal regulation (Bolick, 1998). Regulation directly affects private school capacity issues as the private sector schools are disinclined to engage in practices that connect them in any way to a governmental entity. Therefore excessive regulation may undermine the intended goal of increasing the number of private schools that house school choice students.

Parental Satisfaction

Second, parental satisfaction is one of the key components that Greene (2000) examines in his quest for answering the question of what are the academic effects of school choice on families that choose their school. In the previously mentioned studies parents rated their satisfaction level relatively high; however education policy demands an increase in standardized test scores, and virtually negates the fact that parental reports demonstrate marked approval ratings. For the average parent is considered ignorant or uninformed of the best educational environment for their child and thus their feelings on the matter play little part in the success of a program (Greene, 2000).

Parental choice or school choice in academia is highly rated and is reflective of parental preferences and values about education. Parents determine which school their child will attend by using the information presented to them by various resources, including public, private, charter, and home education. Researchers maintain that parents who utilize the opportunity to choose the school that their child attends report higher levels of satisfaction than those who do not exercise the choice option. Parents in Florida

may exert public school choice through voucher usage, but private school choice is often dependent upon their ability to subsidize the difference in cost between the value of the voucher and the tuition cost. However, often vouchers obtained through a lottery determine a child's eligibility to attend a particular school and whether or not the government will subsidize this decision. Research demonstrates that a parent's level of satisfaction in the school of his or her choice establishes whether or not the child will return or be placed elsewhere. Academic criteria, class size, higher standards, and parental involvement are all important factors used to denote parental satisfaction (Teske, & Schneider, 2001).

Comparative Test Scores

Third, comparative test scores from a Wisconsin private school choice program revealed gains of eleven normal curve equivalent (NCE) points in math and six NCE points in reading. This comparison examined those students who were accepted by lottery versus those that were not. This translates into approximately one half of a standard deviation increase in math and one-quarter of a standard deviation increase in reading. However, these findings are not given much credence due to the high mobility rate of students in poverty-stricken families resulting in gaps in data collection. Thus the percentages represent less than half of the students tested, both choice and control group (Greene, 2000).

Many policy analysts view student academic performance as the most crucial factor in choice. Linkages between success rates of choice students and those who did exercise their right have been compiled, but the findings are quite controversial. Witte (2000) examined the Milwaukee voucher program and claimed that there was no

significance in test score improvements for voucher students versus Milwaukee public school students. However Greene, Peterson, Du, Boeger, and Frazier (1996) in collaboration with Peterson and Noyes (1997) purport a positive linkage between improved test scores and voucher students after three years in the program. The debate continues as researchers seek to find significant gains, losses, or a wash. Howell (2000) may most accurately summarize the choice programs as indicative of modest to moderates test score gains for some, but not all students. But the answer to the question of comparative test scores between public school students and school choice students remains to be seen (Teske & Schneider, 2001).

Private School Willingness

Fourth, if statistics in Texas are any indication of the statistics in Florida regarding private school willingness to participate in school choice plan, it would seem that this policy is effectively influencing the educational realm. Surveys taken by the Texas Public Policy Foundation (1999) divulge that private schools are indeed ready and willing to begin educating students, if necessary as part of a voucher program. The positive aura surrounding choice entails that the 82,000 students will be educated privately if they so choose. In fact tuition rates will not even be a problem for as many as two-thirds of these schools, whose tuition rates fall below \$4,000. An additional 68 percent of Texas schools are pleased to facilitate the TAAS testing of their students. Inferences taken from this survey indicate that private schools are now accepting the challenge of educating students regardless of the school from which they come. Essentially this means that private schools will provide the public service that the state normally supplies at a twenty percent discount to taxpayers. Research proves that this

liberal arts education is often superior to public education, particularly for low socio-economic and minority students (Texas Public Policy Foundation, 1999).

Academic Improvement in Private Schools

Fifth, research performed by Nina Rees of the Heritage Foundation (1999) reveals that students transferring to private schools via vouchers not only improve academically; they also inadvertently cause the public school system to progress due to the ensuing competition. Rees declares that large student transfers create an incentive for public school improvement in both educational content and methods. Jay Greene and Marcus Winters (2003) performed a study examining whether the existence or threat of voucher competition causes public schools to improve, the results of which confirmed their hypothesis. It seemed that the measure that such public schools progress is directly correlated to the degree of threat that is placed upon them from vouchers. The study also concluded that the academic improvements were a result of voucher incentives, as opposed to other facets of the A+ Program. Additionally, Harvard economist Caroline Hoxby did a study on urban school districts and concluded that parental choice directly influenced the level of success of the student, specifically in college acceptance rates. This 12 percent increase in ease of transfer from K-12 to higher education is deemed rather significant (Rees, 1999).

Empirical evidence gathered by Viteritti (1999) delineates that a concrete intellectual advantage is found in poverty stricken students that attend private schools. It began with the Coleman studies back in the 1980's and continued with countless evaluation tools set up to determine the efficiency of both public and private scholarship programs. High school graduation rates and more importantly test scores have been used

to verify scholastic improvement. Of particular significance is the surveillance of Catholic schools that denotes a modification of the empirical connection between student demographics and academic performance. Parents of students in Catholic, Protestant, and other private schools have further indicated the advantages of private schools in offering a religious setting, rigorous academic programs, abundance of opportunities for parental involvement, foundational moral and standards, and protected academic environment (Viteritti, 1999).

This action report will contribute to the existing literature by offering alternatives to the relative lack of involvement by the private sector in contributing to NCLB objectives and the A+ plan through use of private school vouchers. This will be crucial in accomplishing educational goals of improved student achievement for the state of Florida. The ultimate goal is to determine the number of seats the private schools can collectively offer and the proper incentives for them to offer additional seats.

III. METHODOLOGY & EVALUATION CRITERIA

Methodology

The information for this report was obtained through various resources including:

- analysis of academic literature utilizing library databases including Web Luis 1990-to date, Lexus Nexus 1997-to date, and Academic Index and Full text 1980 to date, think tank publications, and popular media;
- structured and unstructured interviews with members of the Manhattan Institute, Florida Council of Independent Schools (FCIS), Florida Association of Academic Non-public Schools (FAANS), New York University (NYU), Center for Education Innovation (CEI), Florida House of Representatives;
- review of the Blaine Amendment, government documents, Florida Statutes; and

- survey of FAANS member organizations conducted by CEI

Much of the research gathered comes from academic literature, renowned “think tanks,” popular media, and interviews. Personal interviews conducted include: Dr. Viteritti, Research Professor at New York University, Henry Olsen, Director of the Center for Civic Innovation at the Manhattan Institute, Dr. Bowman, Executive Director of the Center for Education Innovation at Florida State University, and State Representative Frank Attkisson, Chair of the Committee on Education Innovation. Each of these one-hour discussions provided valuable insight into the world of school choice and the need for private involvement in increasing numbers.

Research provided through contact with the Florida Council of Independent Schools (FCIS) under the auspices of the Florida Association of Academic Nonpublic Schools (FAANS) was intended to find out the number of institutions participating in the private school choice (voucher) program. This information was derived from an extensive survey sent to members of FAANS schools. The survey questions the importance of the alternative solutions to be discussed. It also asks them to list reasons why they would be hesitant to become involved with the school choice programs currently offered. Inferences will be made regarding the number of private schools that will welcome these “choice” students, as well as the number of available seats that will be donated by the private sector. The input received will be used to determine the appropriate alternatives to the problem of limited capacity in the private sector (see Appendix D for survey).

Evaluation Criteria

The following criteria will be utilized: cost, political feasibility, and administrative feasibility. Each criterion will be measured on a decision matrix with a scale ranking of one to five, with number one being assigned to policy options that do not meet the criterion at all and five being assigned to those policy options that meet the criterion to the full extent possible. The respective numbers will then be summed and a total score will be assigned to each policy option.

- Cost is the financial burden accrued by each of the three sectors of the economy (public, private, and non-profit) in relation to the proposed alternatives. It is the dollar amount that will be spent to implement the proposed policy. Skardon Bliss of FCIS provided much of the information regarding cost to the private sector from the institutions represented. Accrued governmental costs will be measured using information from the FLDOE.
- Political desirability may be defined as the attractiveness of the option to politicians, administrators, and private institutions. These data will be obtained from the survey distributed to FCIS schools, as well as interviews with policy makers and teachers.
- Administrative feasibility encompasses the policy implementation process and the administrative success rate of the policy. The government and the participating private schools must be able to utilize their current resources, such as staff, to administer the policy. This is true for the public, private, and non-profit sectors. These data will be obtained from the Choice Office in the FLDOE and from Dr. Bowman of CEI using their databases.

The largest limitation of the study is that of time constraint. Due to the short time frame, a small sample will be surveyed. By studying all private schools, as opposed to just a segment through FAANS, one would gain a more thorough and statistically significant assessment of their true feelings regarding capacity and their involvement with school choice programs. However, the survey will be delivered to private schools of all size, ethnicity, religious affiliation, and gender within the scope of FAANS.

IV. MANAGEMENT POLICY OPTIONS

This section examines the three alternatives that are most likely to increase the private schools' involvement in school choice. The following are a list of the three most concise and appropriate policy options that will be considered in this report.

- a. Voucher value increase
- b. Capitalize on alternate funding methods
- c. Prevent government over-regulation

Option One: Voucher Value Increase

Increasing the value of the voucher from its \$3500 cap to the FTE of \$5500 is the ultimate goal of this option. In the event that one cannot pay to attend a private institution, there are multiple funding opportunities currently available in the state; however their values are under the current FTE. The McKay Scholarship program, the Opportunity Scholarship program, and the corporate tax credit program, are three very programs that enable students to attend private schools who might not otherwise be financially able (Choice Office, 2003; see Appendix C for more information). If such programs were monetarily increased to \$5,500, additional voucher recipients may be able to attend private institutions.¹ Based on the constitutionality of private school choice, as found in the Blaine amendment, it is clear that the State does have a legal right to transfer monies from one entity to another, providing that the students receive the credit to attend the school of their choice (Komer, 2002).

Cost: The cost associated with increasing the flat rate of the voucher would be potentially offset by the State of Florida, just as it was in Washington, DC in 2003 when

¹ However, it is important to note that these vouchers, or scholarships as Representative Attkisson (personal communication, November 19, 2003) prefers to call them, need to remain at a constant dollar value because the variability in value may serve as a deterrent to the participation levels of private institutions. According to Attkisson, it is critical that the vouchers are consistent because private entities and parents alike need stability.

the House, by a difference of two votes (205 to 203), agreed to utilize \$13 million in tax dollars to allow DC public school students to attend private schools instead (Bracey, 2003). The voucher subsidy is currently legislatively mandated. If the State were to increase its allotment to \$5,500 it would have to raise the funds through the legislature, which would only be possible if the public supported such an increase. Although it generally supports parental choice (Majority, 2001), academic achievement of voucher recipients will ultimately be the deciding factor in whether voucher monies are increased because this is a tangible output (Bowman, personal communication, November 22, 2003). Increasing the dollar value of the voucher will directly affect the governmental purse strings. Vouchers are traditionally given at a lesser value (\$3,500 per pupil) than the educational cost incurred by the State (\$5,500 operating cost per pupil); therefore depending upon the dollar value increase in the voucher, the State may still save money (Hegarty, 2002). However, it would be difficult to increase the voucher value from the State's perspective (Representative Attkisson, personal communication, November 19, 2003).

An extensive survey sent to the private schools in Florida under the auspices of FAANS revealed that 27% of private institutions believe that escalating the value of the voucher would increase their likelihood of participating in private school choice options. This is a good measure of proven incentives for the private sector. Skardon Bliss, director of FCIS (personal communication, November 10, 2003) revealed that increasing the value of vouchers or other scholarships would make such programs more attractive to mainstream schools. Since average tuition in independent schools in the State is in the

\$6,000 to \$7,000 range, a \$3,500 CIT scholarship is simply a way of underwriting financial assistance programs.²

According to Martha Zimmet of the Palm Beach Day School (PBDS) many private schools are at their population limit. Also, private school attendance is more than just tuition cost. Books, uniforms, sports equipment, and all other expenses that the administration incurs upon students/parents are to be covered. In addition, parents of students at the PBDS are often expected to support the school financially with a donation at the annual fund drive. This in and of itself directly affects the school's ability to survive. Without sufficient monetary resources, academic excellence will decline. Finally, it must be noted that parents of private school students are expected/required to appear, and if possible volunteer, at school functions. And as the old adage states: time is money. Thus, even though the voucher system may give poverty-stricken children the opportunity for private education, it fails to cover all necessary expenditures and extra curricular activities (personal communication, November 6, 2003).

If the voucher cannot be raised from \$3,500 to the current FTE of \$5,500 then using inflation as the rate of increase would seem to promote a steady increase in voucher dollars. Florida's economy is stimulated by growth and this stimulation is passed on to the rate of inflation of the dollar, which would in essence affect the dollar amount of the voucher. The cost of living index determines the full time equivalent (FTE) and by increasing the voucher annually, as the FTE per student is increased, the playing field would be leveled somewhat (Representative Attkisson, personal communication, November 19, 2003). In short, voucher value increase scores low for the cost criterion

² He went on to say that the Opportunity Scholarship in the \$4,500 to \$5,000 range is an improvement financially, but possesses far too many restrictions, such as admissions, FCAT, and limitations on additional charges to parents (personal communication, November 10, 2003).

because neither the public nor private sectors believe that this option would eliminate capacity issues in private institutions.

Political Desirability: Voucher popularity is growing rapidly, as Floridians realize the benefits of school choice (Majority, 2001). Dr. Peter Doherty (personal communication, November 19, 2003) also concurred with this appraisal. Within the House and Senate, however, the issue remains controversial, although House Republicans tend to view the effort as necessary for accomplishing NCLB objectives and the A+ plan (Representative Attkisson, personal communication, November 19, 2003).

Private schools, particularly affluent institutions, are generally tentative in their support of voucher programs due to factors such as tuition, elitism, academic agenda, and government regulation issues. However, it must be noted that in response to the private school choice survey (n = 51), 66% of participants claimed that they currently house some voucher students and 88 % of participants claimed that they would increase the number of seats that they currently provide to voucher students if they were given an incentive (such as voucher value increase) to do so.

Administrative Feasibility: It is difficult to assess all of the administrative functions that would go into the implementation of an increase in the dollar value of the voucher. However, from the private sector's perspective, it is clear that this does not create additional room in private schools. Just like the public schools, private school classrooms are more than filled to capacity in many cases. Administratively it would be difficult for the private schools to create additional space and teachers even if the voucher was increased because doing so does not provide money for buildings and other capital

expenses necessary to increase capacity (Martha Zimmet, personal communication, November 7, 2003).

From the perspective of the public sector, it would seem administratively straightforward to raise the value of the voucher; however doing so would likely increase the number of student participants in voucher programs because of the boost in the number of private schools that offer seats. This would essentially augment the workload of personnel in the Florida Department of Education (FDOE) Choice Office, as they would have more clientele demanding private school choice capabilities.³

In summary, voucher value increase scores low on the cost criterion. The State will be hesitant to increase the value of the voucher, whereas the private institutions in general would be more apt to participate if the value was increased. Also, increasing the value scores mid range on the political feasibility criterion as popularity of this subject is growing, yet still remains extremely controversial in both the public and private realm. The final criterion of administrative feasibility yields a low score as well. For, as discussed above, private school teachers and administration would experience a much more tedious workload than they currently bear, which would in no way provide incentive for their participation in voucher programs. Similarly, the State through the auspices of the FDOE would also reap additional responsibilities as a result of increased voucher participants desiring to receive the higher financial dividend, and this would generally be viewed in a negative light.

³ **Tax Credit Enhancement** A subset of this policy alternative is that of tax credit enhancement. This item was categorized as a separate policy alternative on the private school choice survey, but due to the low number of institutions that deemed this option feasible for increasing their participation level, it is now only a subset alternative. In fact, only 8.6% of the non-public entities that responded to the survey (n = 51) marked this alternative as worthy of their attention.

Option Two: Untapped Revenue Sources

In this alternative the private sectors should collaborate with state and local government to forge an alliance that produces capital, which may then be earmarked as additional voucher funds. Four funding options are available through this alternative: IDEA entitlement, E-rate dollars, tax incentives, and low/no interest loans. Many private institutions have failed to capitalize upon the IDEA entitlement and E-rate grant dollars that are readily available, but are either not applied for or are not properly utilized. Supplemental services would also be an ideal method of increasing the participation level in voucher programs due to the availability of additional monies. By specifically designing the funds directly for school-aged children, the Florida Legislature is more likely to view this as a viable option. Each one of these funding opportunities may be utilized individually to provide the necessary monies with which to encourage the private sector's involvement in voucher programs, thereby serving to close the capacity gap. Or all of these funding alternatives may be exploited as a combined revenue source from which private institutions may glean.

IDEA

The Individuals with Disability Education Act (IDEA) was re-authorized in 1997 by the federal government in an attempt to provide additional funding opportunities to students with disabilities. Its goal was to ensure that such students received the best possible education despite their handicap (IDEA'97 Regulations, 2003). The Office of Special Education Programs administers the program. However, the program is under-exploited by schools and possesses the opportunity to be a useful source of dollars. This

opportunity may be utilized by the private sector to fund the voucher students who desire to attend private versus public schools.

E-rate Dollars

E-rate dollars, on the other hand, are funded through the Universal Service Fund, which is administered by federal agencies in Washington, DC (Brown, 2003). This order specified that all schools and libraries should have affordable access to advanced telecommunications services. It is funded through the Universal Service Charge displayed on one's telephone bill. The E-Rate discount is directly proportional to the percentage of students that are eligible for the National School Lunch Program (E-Rate, 2003). Such students are often eligible for vouchers as well through private scholarships from groups like children First America and Children's Scholarship Fund, as well as through the corporate tax credit program.

Tax Incentives

Tax incentives would be provided to private institutions that participate in voucher programs. For example: a tax break of \$100 per voucher student would increase the likelihood that a private school would partake in any of the three-voucher/scholarship programs. The State would save money in the form of the corporate tax credit scholarship since it is currently lower than the public student FTE and the private institution would also save money at the end of the year on their taxes.

Low Interest Loans

Low interest loans would be provided through a bond issued by the private institutions and insured by the State. Poverty stricken families are unlikely and perhaps ineligible to incur debt in the form of loans to educate their child privately. Formerly a

teacher in a low socioeconomic school, Martha Zimmet stated that in order to get the parents to come to the school for an open house it was necessary to feed them, implying the resources to subsidize private education are highly unlikely (Personal communication, November 7, 2003). According to the survey only 3.7% of private schools surveyed believe that create low or no interest loans would provide adequate incentive for their participation in private school choice options.

Cost: The cost to the private sector is dependent upon the relationship forged with the business and governmental communities. It would probably be minimal because it would be insured by the State, but would reap excellent fiscal results as investment principles directly apply to this policy option. However, according to the private school choice survey, only 9.8% of institutions believe that capitalizing on business funding would increase their likelihood of participating in the select voucher programs that the state currently offers.

The cost of business investments would also be assumed by the public sector; however its purpose would be to serve as an insurance buffer and thus the financial liability to the public is very low. Such low interest loans or bond guarantees are considered low risk with government-funded vouchers. For example: to find the rate of increase annually each private institution would multiply the number of registered students in their school by the value of the voucher (currently \$3,500), adding approximately ten students each year (representative of the increase in voucher students). This would practically guarantee their ability to repay the government-funded loan with little risk of default.

Political Desirability: This criterion will likely be much more politically popular with the State than it will be with private businesses due to the lack of accountability that private institutions will face when receiving one or all of the four funding opportunities, such as IDEA, E-rate dollars, tax incentives, and low/no interest loans. However, the production of tax incentives may create a stream of revenue that is satisfactory to the private sector. Tax breaks for participating private schools may truly provide incentive to further their participation level in statewide vouchers. According to Skardon Bliss of FCIS (personal communication, November 10, 2003) funding for independent schools is complex. Not-for-profits would be reluctant to accept public monies for fear of intrusion by the state, whereas for-profit institutions will likely get involved with any programs that are beneficial to them. In short, capitalizing on funding opportunities ranks in the mid range for political desirability.

Administrative Feasibility: Initiating business funding would create a burden on the private sector. It would create the need for additional personnel who would be responsible for carrying out the collaborative task of working with governmental entities to establish a fund base for voucher students. The creation of additional funds from local and state businesses would also be difficult to manage because it would demand specifically educated staff to initiate the funds, process the funds, and dispense the funds. Furthermore, the funds would need to be obtained on an ongoing annual basis.

From the perspective of the public sector, business funding of vouchers could have negative effects on teachers, administrative staff, and students because an inordinate amount of time is spent maintaining the “good” school image so as not to be offered vouchers, rather than imparting curricular substance. This essentially harms the students

academically. Children who perform well on standardized tests are viewed as welcome and those who do not do well are often viewed as marginal students. Such marginalization occurs because these students lower the FCAT scores, thereby increasing the likelihood that a school will receive an ‘F’ grade and after two consecutive years its students will be eligible to receive a voucher to attend school elsewhere (Apple & Bracey, 2001).⁴

In summary, capitalization of untapped revenue sources scores high on the cost criterion, but it scores at a mid range for the political feasibility criterion due to the likelihood that the State would respond favorably to such an alternative, whereas the private sector would be reluctant to collaborate with their business counterparts for lack of accountability reasons. Administrative feasibility is questionable because from a government perspective it scores in the middle range; however from a private perspective it is much more difficult to facilitate. Therefore a low score will be given to administrative feasibility for this policy alternative.

Option Three: Prevention of Government Over-regulation

With 315,444 total students in 2,108 private institutions in grades K-12 in 2002-2003, it is apparent that a large contingency of Floridians are currently not academically regulated by government and thus would be hesitant to increase their chances of regulatory action (Choice Office, 2003). The likelihood of increased government intervention into the affairs of private institutions through class size reduction and other such reporting requirements is a growing fear among private school attendees and their

⁴ **Child Centered Funding** A subset of capitalization on business funding, the creation of child centered funding would involve the inclusion of business ventures with the public agenda of educating children. According to the private school choice survey data compiled on October 25, 2003, only 6.17% of non-public institutions surveyed indicated the significance of such funding efforts in influencing their decision to participate in voucher programs. The reason for this low level of positive response is due in part to the lack of explanation that accompanied this policy alternative. Due to the misunderstanding of what this possibility would entail, it is likely that these non-public institutions believed that this option is insignificant.

private institutions as well. Currently the only regulation is seen in the form of compliance with health and safety requirements as specified by the Department of Health (DoH). However, most health codes are determined at the local level and vary by county. Local representatives are responsible for inspections of non-public entities and make decisions regarding the closing of a private school accordingly (Choice Office, 2003).

The Legislature neither seeks to approve, regulate, control, nor accredit non-public educational institutions, which is explicitly explained in Florida Statutes. There are a minimal number of references to private schools in Florida law, and this is mainly due to the fact that the FDOE does not have jurisdiction over them (Choice Office, 2003). Thus private school owners in Florida are primarily responsible for all facets of their academic programs, which include the following:

- certification, qualification and training of teachers and administrators;
- content and comprehensiveness of the curriculum;
- duties, qualifications and salaries of faculty and staff; tuition, class size, fee scales, pupil expenditures and refund policies;
- student assessment, academic credits, grades and graduation or promotion requirements;
- student regulation, dismissal and expulsion policies;
- student records content, retention, transfer and release (Choice Office, <http://www.firn.edu/doe/choice/generalr.htm>, 2003).

To understand the importance of continued deregulation of private institutions one must be aware of the applicable laws governing them. Private schools have the option of attaining an accreditation standard, and although the Southern Association of Colleges and Schools (SACS) is the regional accrediting body for the 12 southeastern states, it is not the only one. Instead, non-public schools may use discretion in choosing an accrediting body. As there is no state regulation of accreditation bodies, a wide variety of standards and requirements exist (Choice Office, 2003).

Cost: This would probably be the simplest factor to control for, as there would not be an additional cost to the State to keep it from increasing its regulatory standards. Neither would there be a direct increase in cost to the private sector. However, the non-public schools may accrue cost when lobbying the legislature for continued minimal regulation. This may be accrued at a county level or may be borne by parent organizations such as FAANS.

Political Desirability: This criterion will vary based upon which party is addressed. For instance the private schools themselves are very supportive of this option. According to the survey results compiled on October 25, 2003, 41.9% of the private institutions strongly asserted that keeping regulation to a minimum would heavily influence their decision to participate in voucher programs. Public schools are required to report grades, test scores, and to comply with class size requirements beginning in the academic year 2003-2004. They must be in full compliance in this respect by the academic year 2012 (DOE, 2003). Education Commissioner Jim Horne revealed a series of proposed reforms that would serve to heighten controls on the corporate tax credit, but the Senate may go above and beyond those changes greatly upsetting private institutions and possibly resulting in their refusal to participate (Date, 2003). The Florida Senate Education Committee set forth several recommendations: “tighten eligibility requirements, clarify enforcement powers, require reports on implementation of accountability, adopt rules, require criminal background checks, and require academic accountability” (Senate Committee on Education Interim Project Report, p. 5, 2003). Each of these contains both positive and negative ramifications for private institutions. As regulations tighten, fear of participation grows.

According to Skardon Bliss of the FCIS, “government regulation is the scary part to church-related and non-for profits institutions. These schools have a mission, established by a board, and they seek to serve their constituency. If the state insists on open admissions, Sunshine Standards, FCAT and other requirements, the schools start to be a type of public school and lose their mission” (personal communication, November 10, 2003).

The State is agreeable to this policy alternative, for creating additional standards and rules that private schools must abide by would create a heavier workload for state employees and would require changing Florida law to comply with the modifications. This is quite tedious and requires legislative action. Such action may take years to achieve. Therefore maintaining the principle that government refrains from interfering in the affairs of the private institutions would be politically popular at a State level. Also, the opinion of the public is very important and by exercising their right of school choice, constituents are essentially voting with their feet. Thus the need for government accountability measures is only necessary if student achievement in private schools is not up to par. And in that case, the parent may choose to send their child to another higher achieving private school or back to a public school (J.C. Bowman, personal communication, November 13, 2003).

Administrative Feasibility: This criterion will likely yield the simplest transition from current law to the implementation of continued minimization of government regulation. As it currently stands, government does not interfere with the business of private/non-public institutions. Florida law prohibits such involvement (FL Statutes, 2003).

Therefore prevention of government over-regulation would be administratively easy to implement.

From the perspective of the non-public schools, this option would also be straightforward because no change would be made—government would simply refrain from becoming overly involved with private school affairs. However, it must be noted that transitioning voucher students from a publicly operated and funded institution to a privately operated and funded institution will require much additional work on administration and staff. Teachers will be required to ensure that the voucher recipient has learned the lessons that were previously taught so that he or she is at the current education level of the classroom that he or she has been assigned. This will likely require additional time, energy, and resources, depending upon the individual (Martha Zimmet, personal communication, November 6, 2003). The workload of teachers is already extremely high and with little reward, particularly in the state, as salaries are below the national average; to increase that workload would only serve to heighten the animosity towards the career (FLDOE, 2003). Thus it may be more of an impetus to private schools and public schools collectively, as students move back and forth between the two sectors and the possibilities for additional teacher stress are great at both levels.

Although minimizing government regulation is ultimately the desired goal, according to the representative sample surveyed, it may be administratively complicated to implement such voucher programs. Martha Zimmet of the Palm Beach Day School (personal communication, November 6, 2003) stressed the point that many children that attend private/non-public schools have experienced many things that disadvantaged children do not, since these families have greater resources. The potential for issues to

arise between the children who possess more economic resources and those who do not possess such resources is great.

In summary, prevention of government over-regulation scores very high in the cost criterion. It scores in the middle range for political feasibility because the private sector is strongly supportive of this alternative, but the public sector is less keen about it. Prevention of government over-regulation scores in the mid to upper range for administrative feasibility because the public sector would be quite supportive since, essentially nothing would change, and thus implementation ease is great. The private sector would be less supportive because it views this option as more difficult due to the increased workload of additional students.

IV. CONCLUSIONS

This report presents three private school policy alternatives to increase participation in Florida's three voucher programs. Each policy was evaluated based on cost, political feasibility, and administrative feasibility. Table 1 summarizes the results.

Table 1 –Summary of Alternatives and Evaluative Criteria

<i>Evaluative Criteria</i>					
<i>Policy Alternatives</i>		<i>Cost</i>	<i>Political Desirability</i>	<i>Administrative Feasibility</i>	<i>SCORE</i>
	<i>Voucher Value Increase</i>	2	3	2	7
	<i>Untapped Revenue Sources</i>	4	3	2	9
	<i>Prevent Government over-regulation</i>	5	4	4	13

Ranking Scale: 1 to 5 with 1 being very negative and 5 being very positive

All three of the alternatives would provide necessary incentives for increasing the private school role in voucher programs. However, only one option appears most effective for a short-term involvement in school choice. For it seems that most private schools would agree that providing this incentive to them would result in an increase in their participatory level.

Prevention of government over-regulation would yield the strongest results for the cost criterion. This is mainly due to the fact that neither the public nor private sectors would incur a cost if government’s involvement in the affairs of the non-public schools were kept to a minimum. Voucher value increase is mid range for the cost criterion because the public sector would be forced to come up with additional funds to support such an alternative. The public would not necessarily view this positively, as it would

have to be approved by the Legislature and appropriated accordingly. Business funding would prove the weakest alternative for the cost criterion because the funds available for such an option are not tangible or readily available.

Prevention of government over-regulation scores fairly high on the political feasibility criterion. This is due to the fact that the private sector is extremely supportive of such an alternative and the State is not entirely opposed to it either because it is much simpler for them to maintain the uninvolved status that they currently possess than to rewrite the Florida Statutes and thus further regulate non-public schools. Voucher value increase scores mid range for the political feasibility criterion because the private sector is virtually in support of such an alternative, although they recognize the fact that increased dollars does not increase their capacity limitations. The public sector, on the other hand, is much more highly opposed to such an alternative and thus the disagreement between the two sectors balances out the score for the criterion. Business funding scores mid range for the political feasibility criterion as well as this option is controversial and thus yields mixed results.

Prevention of government over-regulation, scores at a mid range level when weighed against the administrative feasibility criterion. First, from the perspective of the public sector, prevention of government over-regulation is administratively simple, as their current role is such. Secondly, from the private sector viewpoint, government over-regulation as weighed against administrative feasibility is a bit tedious and would require additional duties for employees, thus they are less inclined to desire it from an administrative standpoint. Increasing the value of the voucher scores at a mid range level for the administrative feasibility criterion as well. This is mainly due to the same

reasons as discussed above. Private schools feel that this option does not solve the administrative difficulties associated with such an alternative. The public sector would not be overly burdened, but it would be required to increase the number of personnel responsible for voucher students. Business funding scores at a mid range for the administrative feasibility criterion because the two sectors are divided as to the political popularity of such an alternative. Private schools are less inclined to agree with this option, whereas the public sector would be agreeable to the financial assistance of local businesses.

Assessment of the alternatives using the three evaluative criteria indicates that prevention of government over-regulation would be the most viable policy option available to provide incentive to the non-public schools to participate in Florida's voucher programs. Therefore, prevention of government over-regulation is recommended as the best solution to the problem. Implementation of the continuation of Government's minimal role in the administration and academic achievement of non-public schools would give such institutions the freedom to participate in voucher programs without fear of regulatory efforts, such as class size or reporting requirements. The other two policy options could not be properly implemented without first receiving the assurance of the State Government that its role in non-public schools would continue to remain distant and unassuming. Therefore before providing other incentives to the private sector, it is crucial that they receive clarification that the Florida Statutes regarding government intervention will be upheld, regardless whether students accept monies in the form of vouchers that enables them to attend their institutions.

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Appendix A

In order to understand the background of the private sector's role in education one must clearly comprehend the significance of Governor Bush's A+ plan in Florida. This plan is now a subset of the U.S. No Child Left Behind Act of 2001. Although the A+ plan was in existence prior to the national Act, it must now conform to President Bush's overall administration goals and objectives. Therefore the two work together somewhat interchangeably, although there are several key differences between the two.

Comparing NCLB & the A+ Plan

The first disparity is that No Child Left Behind (NCLB) is a "status" model, while the A+ Plan is both a "status" and a "growth" model. NCLB measures student achievement within a school, district, or state during the current academic year and it then compares these results to the level achieved the next year. In addition, it does not include private school involvement. However, the A+ plan encompasses all forms of education innovation: public, private, and home school. Student achievement is measured through the dimension of scholastic development by individual students, utilizing a vertical score scale (Winn, 2003).

The second disparity that must be noted is that NCLB focuses on subgroups, whereas the A+ plan focuses on the lowest achievers in the 25th percentile. Therefore, NCLB grants particular emphasis and concentration to the status of these subgroups, which tend to be restricted by population sizes per school. On the other hand, the A+ plan specifically focuses upon students that do poorly on the three predominant levels of the FCAT test, thus encompassing all lower performing students, regardless of race. This measure of accountability will more efficiently hold schools to a higher standard in

leaving no child behind than the national NCLB’s accountability measure (Winn, 2003). It is interesting to note that Florida schools are predominantly large, particularly in comparison to the national average. In fact, table 1 accurately depicts the size of Florida schools versus the national average by common grade groupings.

Table 1. School Sizes

	<u>Primary</u>	<u>Middle</u>	<u>High</u>
U.S. Average	446	595	752
Florida	694	1,030	1,460

NCES Statistical Report, 2001.

The third disparity is that of NCLB’s “conjunctive” model versus the A+ plan’s “comprehensive” model. For instance, the NCLB model states that adequate yearly progress (AYP) at the elementary level, is calculated by viewing the 35 yes/no conjunctive decisions. Thus it is impossible to compensate for low scores in one area, by scoring higher in another area. Conversely, the A+ model states that schools are given points for students who possess a lofty score and/or annually improve their scholarship (Winn, 2003).

APPENDIX B

A + Plan

In June of 1999 the Bush/Brogan A+ plan originated. The plan provides greater funding and accountability for K-12 public schools (Providing Our Children, 2003). By measuring both the current academic status of students and the level of their annual

growth, this plan exemplifies a comprehensive effort at cultivating students by maintaining strict accountability measures in their respective schools. The goal is to integrate NCLB into an inclusive accountability system that is at the educational forefront nationally, particularly for best practices. As the first state to implement Individual Annual Learning Gains to Proficiency, Florida leads the way in promoting monetary value in its schools, and it is the first state to employ a Standard and Poor's model of *return on investment* per school (Winn, 2003).

No Child Left Behind

President George W. Bush officially signed the No Child Left Behind Act of 2001 into law on January 8, 2002. The Act is the most comprehensive reform of the Elementary and Secondary Education Act (ESEA) that was enacted in 1965 (USDOE, 2003). The purpose of NCLB is to guarantee that all children have an equal opportunity to receive a superior education and to obtain proficiency in challenging academic achievement tests (FLDOE, 2003). No Child Left Behind (NCLB) mandates several critical factors. Firstly, it requires annual testing of all public school students in both reading and mathematics. Secondly, it entails that a qualified teacher be present in every public school classroom. Thirdly, it necessitates that each school produces annual report cards in regards to their academic performance. Fourthly, it ensures that every child is reading at grade level by the completion of the third grade (Winn, 2003).

Accountability measures have been established that designate one solitary accountability system that includes all schools. Likewise, persistent augmentation eventually yielding 100% proficiency with annual determination of Adequate Yearly Progress (AYP) for each school is included in the accountability measures. It has also been determined that

95% of students in all subgroups by school must be held accountable for their actio

Adequate Yearly Progress

It is important that the working definition of AYP is clearly defined so that the terminology used throughout this report is easily understood. AYP seeks to measure the progress of all public schools and specific school districts so that every student meets the State's academic achievement standards. Expertise by each ethnic group is required.

Various subgroups are monitored according to their English proficiency, socioeconomic status, and disability. Although these factors are considered, AYP requires that despite cultural diversity each group must succeed in his or her own right (FLDOE, 2003). ns and academic progress (Winn, 2003).

Those schools that fail to comply with the AYP requirements will be sanctioned according to the following guidelines established by FLDOE (Winn, 2003):

- For the first two years the school will receive additional help in raising their scores. This 'help' will extend to offer school choice opportunities to interested parents through both public and charter school choice.
- The third year school improvement incentives will continue as parents are presented with supplemental services as well as public and charter school choice.
- The fourth year the school will be forced to adhere to corrective action taken by the state; however parental choice options for schooling will continuously be offered.
- The fifth year the school will be targeted for restructuring and parental choice options will continue as before.

Appendix C

McKay Scholarship

In order to qualify for the McKay Scholarship Program students must meet the following criteria: possess a disability under IDEA substantiated by acquiring an active IEP, and as evidenced by attendance during the October and February FEP survey, the

student must have attended a Florida public school the previous year. The private school must also meet eligibility requirements including: compliance with state law requirements for Florida private schools, compliance with anti-discrimination provisions, compliance with local and state health/safety codes, fiscal soundness as evidenced by one year of operation, a surety bond, a letter from CPA, and academic accountability to the parent. Student and private school participation are also mandatory elements of eligibility, as is completion of payment process. There are currently 12,008 McKay scholarships that have been distributed (Choice Office, 2003). The maximum value of the McKay Scholarship for Students with Disabilities is \$21, 326.00 and the minimum value is \$1,300.00, causing the mean amount of the scholarship to be \$6,751.00 (DOE, 2003).

Opportunity Scholarship Program.

The program's primary purpose is to facilitate the assistance of minority students that are ensnared in failing schools. Eligibility is based upon student and private school criteria. Students must have attended or have been assigned to an unremittingly failing public school for two years. This essentially requires that the school obtained two F's in the previous four years. The private school must meet all state requirements for a non-public school, be accredited, and academically responsible to the parent. The Department of Education must be informed of the school's desire to participate in this program prior to the May 1st deadline of the corresponding academic year. Students must file a request to participate by the July 1st deadline. All other eligibility requirements are similar to that of the McKay Scholarship (Choice office, 2003). Academic year 2003-2004 has seen a total of 618 Opportunity Scholarships awarded,

96% of which went to minority students. The maximum scholarship amount of the A+ Opportunity Scholarship is \$4,537.00 (Choice Office, 2003).

Corporate Tax Credit Scholarships.

In order to receive a corporate tax credit the student must be a Florida public school student that receives free or reduced lunch. The respective private school must follow the same guidelines for fiscal soundness, academic accountability, health and safety codes, anti-discrimination codes, and other laws relating to Florida private schools in order to participate. The enrollment and payment of this scholarship is funded through participant outside organizations (Choice Office, 2003). There are currently 11,238 students that have been provided \$7,969,755 in scholarships during academic year 2003-2004 (Senate Committee on Education Interim Project Report, 2003). That is 13,762 students few than expected. The originally anticipated number of students was the basis for which Governor Jeb Bush subsequently raised the voucher program's cap from \$50 million to \$88 million (Date, 2003).

The current value of the Corporate Tax Credit Scholarship is \$3,500.00. This rate is set regardless of the tuition rate of the institution that one desires to attend. Therefore the individual student or parent must subsidize the difference in tuition rate and that of the Florida voucher. Due to the tendency of voucher recipients to come from lower socio-economic backgrounds ("F" schools are generally located in poverty stricken areas), many families are unable to subsidize the tuition. Therefore an increase in the value of the voucher would seek to ensure that a greater number of students in failing schools are able to successfully transfer from their zoned public school to a private school of their choice.

Appendix D

Dear Colleagues:

The Center for Education Innovation is conducting some original research entitled: No Child Left Behind: An Analysis of the Private Schools' Role in Dealing with Capacity Issues. In order for us to gather the data some help from you is needed. Our goal is to find ways to provide you with incentive to participate in the private school choice program. The following is background information to better inform you on school choice.

In June of 1999 the Bush/Brogan A+ plan originated. The plan provides greater funding and accountability for K-12 public schools (Providing Our Children, 2003). By measuring both the current academic status of students and the level of their annual growth, this plan exemplifies a comprehensive effort at cultivating students by maintaining strict accountability measures in their respective schools. As the first state to implement Individual Annual Learning Gains to Proficiency, Florida leads the way in promoting monetary value in its schools, and it is the first state to employ a Standard and Poor's model of *return on investment* per school.

President George W. Bush officially signed the No Child Left Behind Act of 2001 into law on January 8, 2002. The Act is the most comprehensive reform of the Elementary and Secondary Education Act (ESEA) that was enacted in 1965 (USDOE, 2003). The purpose of NCLB is to guarantee that all children have an equal opportunity to receive a superior education and to obtain proficiency in challenging academic achievement tests (FLDOE, 2003). No Child Left Behind (NCLB) ensures that every child is reading at grade level by the completion of the third grade, and that all children are reading on grade level by 2012 (Winn, 2003).

The Voucher law in Florida permits both public and private school choice for voucher recipients. There are a large number of students receiving these vouchers due to the 'F' status of their current schools. Capacity issues have become increasingly problematic, as there are an increasing number of voucher recipients without an educational facility to attend. Thus it is difficult to place all of these students in public schools and the help of the private sector is needed. As such, it is our goal to find incentives to encourage private schools, such as you, to enroll voucher students at their institutions.

In order to adequately facilitate the proposed research, we have compiled a list of survey questions that will help us a way to better educate the children of Florida. We ask that you answer the attached survey questions so that we may better assist you in the process.

Thank you.

Mary E. Goldsmith
Director of Operations,
Center for Education Innovation

Private School Choice Survey

1. What is your current involvement in school choice, particularly private school vouchers?
 - a. High
 - b. Medium
 - c. Low
 - d. None
 - e. N/A

2. Please list the number of seats that you are currently providing to voucher students?

3. Please circle the number of seats that you could conceivably provide to voucher students if you were given adequate incentive to do so?
 - a. 20 or more
 - b. 15 or more
 - c. 10 or more
 - d. 5 or more
 - e. 3 or less

4. Which of the following would increase your likelihood of becoming a participant in the school choice program?
 - a. Increase the value of the voucher
 - b. Create child centered funding
 - c. Capitalize on business funding (i.e. Corporate Tax Credit Scholarship Program)
 - d. Create low/no interest loans/tax credit enhancement
 - e. Prevent government from overburdening private schools with regulations such as: class sizes and reporting requirements
 - f. Other

5. Please list any additional services or incentives that we could provide that would provide further your participation in private school choice.

6. Please list any additional information that you believe to be helpful in increasing the private sector's role in accomplishing "No Child Left Behind" and the A+ Plan.

7. Do you have highly qualified teachers in your school?

8. Is teacher recruitment pertinent to your school?

The following questions are for informational purposes only:

- a. What is the name of your institution?

- b. What parent organization(s) do you belong to?

- c. What grade levels are taught at your institution?

- d. What is the current student population?

Thank you for your participation in this survey! Your answers help us better serve you! If you have any questions or comments please e-mail Mary Goldsmith, Director of Operations, Center for Education Innovation (CEI) at mgoldsmith@csac.fsu.edu.

ABOUT THE AUTHOR

Mary Elizabeth Goldsmith (B.S., business management, Palm Beach Atlantic University; MPA, Florida State University) has served as a program specialist for the Independent Colleges and Universities of Florida (ICUF), and as an executive secretary for Senator Alex Villalobos of the Florida Senate. Ms. Goldsmith is interested in international affairs, the political arena, and in educational policy. She is currently the director of operations at the Center for Education Innovation (CEI) at Florida State University where she researches and presents the most recent educational challenges and ideas in the school choice arena.