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## POLICY PAPER


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## A Nation Still at Risk: The Continuing Crisis of American Education and Its State Solution

by Casey Given

*“On the personal level the student, the parent, and the caring teacher all perceive that a basic promise is not being kept. More and more, young people emerge from high school ready neither for college nor for work. This predicament becomes more acute as the knowledge base continues its rapid expansion, the number of traditional jobs shrinks, and new jobs demand greater sophistication and preparation.”*

– *A Nation at Risk* (1983)<sup>1</sup>

During his first term in office, President Ronald Reagan assembled some of the United States’ foremost educators to study the failures of the American school system and provide policy recommendations for reform. Chartered as the National Commission on Excellence in Education, the group published its findings in a 1983 report that sent shockwaves throughout the country and stimulated decades of school change.

Although written thirty years ago, *A Nation at Risk: The Imperative for Educational Reform* reads like it is describing the crisis in American education today. As evidenced by this report’s opening quote excerpted from the study, public education has not improved in the decades hence, as students still “emerge from high school ready neither for college nor for work.”

For example, the freshman high school graduation rate has only increased by 1.8% since 1983.<sup>2</sup> Standardized test scores among high school students have also flatlined over the same time period, with achievement on the National Assessment of Educational Progress (NAEP) dropping by 1 point in reading and increasing by merely 4 points in math since the early 1980s.<sup>3</sup>

These bleak results are perplexing considering that no dearth of attention has been paid to education reform since *A Nation at Risk*. To the contrary, the last three decades have seen an unprecedented amount of policies implemented at the federal, state, and local level aimed at improving educational outcomes. Funding is certainly not the issue either since educational expenditures have dramatically increased during the same time frame. In

Students still “emerge from high school ready neither for college nor for work.”<sup>1</sup>

1. *A Nation at Risk: The Imperative for Educational Reform*, National Commission on Excellence in Education (April 1983), [http://datacenter.spps.org/uploads/SOTW\\_A\\_Nation\\_at\\_Risk\\_1983.pdf](http://datacenter.spps.org/uploads/SOTW_A_Nation_at_Risk_1983.pdf).

2. “High school graduated, by sex and control of school: Selected years, 1869-70 through 2020-21,” National Center for Education Statistics (2012), [http://nces.ed.gov/programs/digest/d11/tables/dt11\\_111.asp](http://nces.ed.gov/programs/digest/d11/tables/dt11_111.asp).

3. “The Nation’s Report Card: Trends in Academic Progress in Reading and Mathematics 2008,” National Center for Education Statistics (April 2009), <http://nces.ed.gov/nationsreportcard/pubs/main2008/2009479.asp>.

fact, schools spend more than twice what they did after adjusting for inflation (see chart).<sup>4</sup> So, what went wrong? This paper seeks to answer this oft-asked question by tracing federal education policy since *A Nation at Risk's* publication and offering state solutions.

### *A Quarter Century of Failed Federal Education Reform*

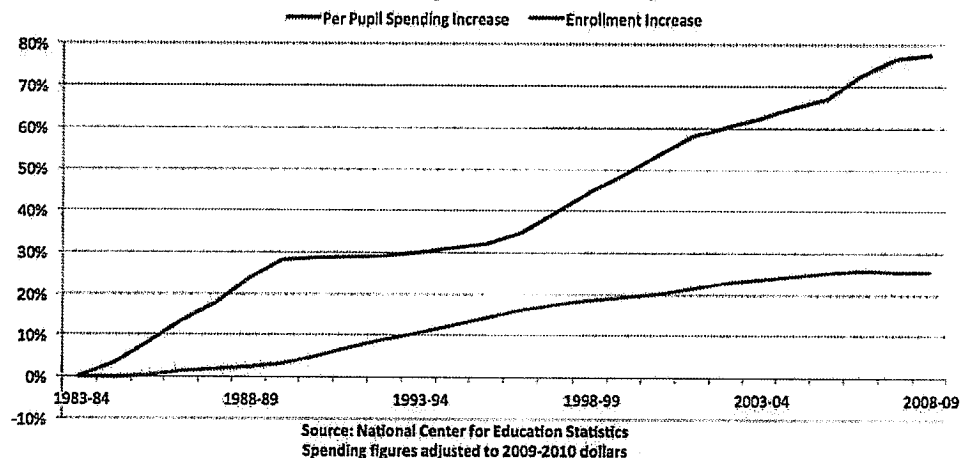
Since the publication of *A Nation at Risk*, the federal government has been leading the charge in the education reform battle. At first glance, this position may seem perplexing since public schooling is officially a function of the states. But, as with so many other services constitutionally “reserved to the states,” the federal government bypasses the restrictions through allocating funding to states with regulatory stipulations to encourage its preferred behavior.<sup>5</sup> In the case of education, Washington’s statutory authority today comes from the Elementary

and Secondary School Act of 1965 (ESEA).<sup>6</sup>

Signed into law by President Lyndon B. Johnson, ESEA most notably allocates federal funds to schools with a high percentage of students from low-income families in its first title – hence its popular designation “Title I funds.” For the first two decades of its existence, Title I funds were not allocated with much regulatory oversight. But, a few years after the publication of *A Nation at Risk*, reform-minded congressmen began to tie Title I funds to performance requirements, incentivizing states to improve their educational outcomes.

Beginning with the Hawkins-Stafford Elementary and Secondary School Improvement Act of 1988, Washington tied Title I funds to academic performance. Schools were held accountable to improving the academic performance of every Title I-eligible student under this act of the Reagan administration.<sup>7</sup> If a

#### Education Spending Outpaces Enrollment, 1983-2009



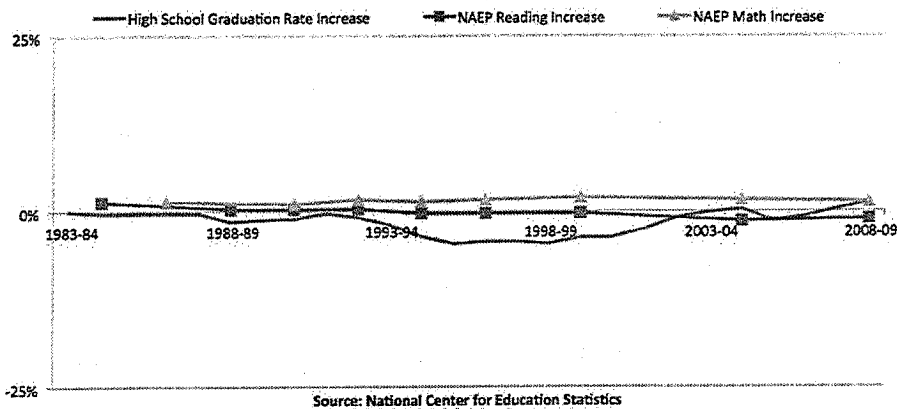
4. Total and current expenditures per pupil in public elementary and secondary schools: Selected years, 1919-20 through 2008-09” National Center for Education Statistics (2012), [http://nces.ed.gov/programs/digest/d11/tables/dt11\\_191.asp](http://nces.ed.gov/programs/digest/d11/tables/dt11_191.asp).

5. United States Constitution, “Tenth Amendment,” Cornell University Law School (1787), [http://www.law.cornell.edu/constitution/tenth\\_amendment](http://www.law.cornell.edu/constitution/tenth_amendment).

6. United States Congress, “Elementary and Secondary Education Act of 1965,” Federal Education Policy History (1965), <http://federaleducationpolicy.wordpress.com/2011/02/19/1965-elementary-and-secondary-education-act/>.

7. United States Congress, “Hawkins-Stafford Elementary and Secondary School Improvement Act of 1988”.

### Student Performance Stagnates, 1983-2009



school's aggregate performance did not improve among qualified students for several years, the local school district was required to intervene by implementing an improvement plan.

Six years later, the Improving America's Schools Act of 1994 took this educational interventionism a step further by requiring states to define and impose annual improvement requirements on their schools and measure whether they met them through standardized tests. If a school did not, the state was encouraged to inflict corrective action such as withholding Title I funds or restructuring the school's administration.<sup>8</sup>

Finally, this trend towards standards-based education culminated in the No Child Left Behind Act of 2001 (NCLB), where the federal government required states to impose an annual improvement benchmark for proficiency called "Adequate Yearly Progress" (AYP). Although each individual state uniquely defined what score on their assessment tests met NCLB's proficiency standard, every state was required by the law to have 100% of their students proficient in math and reading by the 2013-

2014 school year. As a result, states adopted a benchmark escalator where schools were expected to have a certain percentage of their students meet standards in a given year (e.g. 85% by 2011, 90% by 2012, etc.). If schools failed to meet the standards for several years in a row, they would receive corrective action – eventually ending in a state government take-over of the administration.

Unsurprisingly, this ambitious goal proved to be unattainable, putting schools under constant threat of state intervention for failing to have near-perfect proficiency. NCLB thus had a number of unintended consequences that severely affected K-12 education in the early 2000's. First, many schools pressured their educators to "teach to the test," emphasizing skills that would be assessed on the state exam instead other important skills that would not. Second, fifteen states lowered their standard of proficiency on their standardized to help their schools avoid NCLB's draconian punishments for failing to meet AYP.<sup>9</sup> As a result of the law's perverse incentives, academic performance continued to stagnate, as measured by the NAEP, and a consensus started to solidify in the

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8. United States Congress, "The Improving America's School Act of 1994," Federal Education Policy History (October 1994), <http://federaleducationpolicy.wordpress.com/2011/02/20/the-improving-americas-schools-act-of-1994/>.

9. Sam Dillon, "Federal Researchers Find Lower Standards in Schools" *The New York Times* (October 29, 2009), <http://www.nytimes.com/2009/10/30/education/30educ.html>.

Despite his promising rhetoric, President Obama has only repeated the failures of federal education reform by mandating more standards-based reforms from the Department of Education (ED).

education community that NCLB was not working for America's schoolchildren.<sup>10</sup>

After almost a quarter century of failed federal education reform, NCLB spelled the death of outcome-based education reform. Or, so it seemed.

### *History Repeats Itself Under the Obama Administration*

Elected with the political mandate from parents and teachers to reform NCLB in 2008, President Barack Obama offered hope for a change in America's subpar schools. The new president seemed to recognize the failure of federal education reform, stating that "if we're serious about helping our children reach their potential, the best ideas aren't going to come from Washington alone."<sup>11</sup> But, despite his promising rhetoric, President Obama has only repeated the failures of federal education reform by mandating more standards-based reforms from the Department of Education (ED).

During his first term in office, President Obama pushed two reform initiatives on the states that, at first glance, seem distinct from each other. First, Race to the Top (RTTT) was announced in July 2009 as a federal grants competition in which states submit plans to ED revamping their academic standards. As an incentive for implementing these standards-based reforms, ED granted states with the best plans a share of the program's \$4.35 billion

award in education grants.<sup>12</sup> Second, President Obama announced plans to grant states waivers from NCLB's stringent AYP requirement in September 2011, and 44 states have applied for flexibility as a result.<sup>13</sup>

While seemingly separate initiatives, ED required states to improve their educational standards yet again to be eligible for RTTT and NCLB waivers. In other words, ED under the Obama administration has only repeated the course of history by ignoring the three decades of failed standards-based education reforms from the federal government. Specifically, states interested in a RTTT grant or NCLB waiver must now "[p]rovide student growth data to teachers," "[i]dentify achievement and graduation rate gaps," and "[a]dopt college- and career-ready standards... common to a significant number of States."<sup>14</sup> This last requirement is especially key to the Obama administration's education policy, as it essentially serves as a requirement to adopt the Common Cores State Standards.

### *Common Core State Standards Initiative*

Created in 2009, the Common Core State Standards Initiative describes itself as a "state-led effort coordinated by the National Governors Association Center for Best Practices... and the Council of Chief State School Officers... to provide a clear and consistent framework to prepare our children for college and the workforce."<sup>15</sup>

10. Supra note 3

11. "President Obama: Out Children Can't Wait for Congress to Fix No Child Left Behind, Announces Flexibility in Exchange for Reform for Ten States," U.S. Department of Education (February 9, 2012), <http://www.ed.gov/news/press-releases/president-obama-our-children-cant-wait-congress-fix-no-child-left-behind-announc>.

12. "Race to the Top Fund," U.S. Department of Education (July 11, 2012), <http://www2.ed.gov/programs/racetothetop/index.html>.

13. "ESEA Flexibility Requests and Related Documents," U.S. Department of Education, <http://www.ed.gov/esea/flexibility/requests>.

14. Michael Yudin, "AMO Waiver Guidance," U.S. Department of Education (February 2012), <http://www.ed.gov/policy/eseaflex/amowaiver-guidance.doc>.

Make no mistake about it, Common Core is another federal concoction cooked in Washington and spoon-fed to the states with strong financial incentives. Since 2010, ED has offered states NCLB waivers and RTTT grants as a reward for adopting Common Core. Some states have received up to \$75 million in the latter alone – a deal that almost seem too good to pass up.<sup>16</sup> Common Core's catch is that it only repeats the federal government's failed education policy of the past three decades by requiring states to raise their academic standards yet again. Thus, it is sure to reap the same fruitless results since raising standards in the past has not been proven to raise student achievement.

This point has been proven not just historically by the failure of federal education programs but statistically as well by numerous think tanks and even ED itself. One 2009 study by Grover "Russ" Whitehurst of the Brookings Institution investigates whether the difficulty of states' academic standards as judged by the American Federation of Teachers and Fordham Foundation correlated with their NAEP scores.<sup>17</sup> The answer is a resounding "no," with no statistically significant correlation found in any grade or ethnicity categories whatsoever. Even the federal government has gotten the same result, with the National Center for Education Statistics failing to find a correlation between high standards and high student

achievement in a 2006 study.<sup>18</sup>

Another problem with Common Core is that its goal of decreasing inequality in student achievement comes at the expense of local control and concerns. The United States' federalist structure has been cherished by Americans for centuries because it limits federal power in favor of allowing states to provide their citizens more efficient services tailored to local needs. Common Core's one-size-fits-all approach to education ignores local problems that state and city governments are more qualified to address than federal bureaucrats thousands of miles away.

The Brookings Institution again powerfully makes this point in their *2012 Brown Center Report on American Education*.<sup>19</sup> Brookings found that "[m]ost variation on NAEP occurs within states not between them." In fact, "[t]he variation within states is four to five times larger than the variation between states." In plain English, student achievement gaps are wider within states than between them. Thus, Common Core completely ignores a state's internal inequalities in favor of uniform poor achievement across the nation.

Common Core is extremely expensive as well, at an estimated cost of \$15.8 billion in the first seven years alone.<sup>20</sup> One study by the Pioneer Institute found that most states have not sufficiently estimated the costs of

Make no mistake about it, Common Core is another federal concoction cooked in Washington and spoon-fed to the states with strong financial incentives.

15. Common Core State Standards Initiative, "About the Standards," <http://www.corestandards.org/aboutthe-Standards>.

16. Supra note 14

17. Grover J. "Russ" Whitehurst, "Don't Forget Curriculum," (October 2009), <http://www.brookings.edu/research/papers/2009/10/14-curriculum-whitehurst>.

18. National Center for Education Statistics, "Mapping 2005 State Proficiency Standards Onto the NAEP Scales" (June 2007), <http://nces.ed.gov/nationsreportcard/pdf/studies/2007482.pdf>.

19. Brookings Institution, *2012 Brown Center Report on American Education: How Well Are American Students Learning?*, Vol. III No. 1 (February 2012), [http://www.brookings.edu/~media/newsletters/0216\\_brown\\_education\\_loveless.pdf](http://www.brookings.edu/~media/newsletters/0216_brown_education_loveless.pdf).

20. Pioneer Institute & American Principles Project, *National Cost of Aligning States and Localities to the Common Core Standards*, No. 82 (February 2012), [http://www.pioneerinstitute.org/pdf/120222\\_CCSSI-Cost.pdf](http://www.pioneerinstitute.org/pdf/120222_CCSSI-Cost.pdf).

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implementing these demanding standards. To give one example of its bloated price tag, Common Core's assessment test must be administrated electronically, requiring every school under its umbrella to purchase dozens or even hundreds of new computers. Cash-strapped schools will doubtlessly experience difficulty complying with this stipulation, especially considering the repairs associated with allowing children to operate technology.

Our nation's schools are still at risk precisely because of the centralized, standards-based educational policies of the federal government that have taken hold in subsequent decades since *A Nation at Risk's* publication. Although the ED under President Obama has begun to recognize Washington's past policy failures, its solution of yet again raising the bar with Common Core simply continues the mistakes of the past by imposing more regulations on our schools.

History does not need to repeat itself, especially when millions of young Americans' futures are at stake. For this reason, the remainder of this paper is dedicated to exploring innovative educational reforms being implemented on the state and local level, such as charter schools, opportunity scholarships, merit pay, quantitative evaluations, and parent trigger laws. Through weighing each reform's costs and benefits, we hope to empower citizens and statesmen alike with the knowledge to advocate for whatever method of reform is most appropriate for their locality.

## *II. Educational Reform in the "Laboratories of Democracy"*

Supreme Court Justice Louis Brandeis once famously noted in his dissent to *New State*

*Ice Co. v. Lieberman* that "[i]t is one of the happy incidents of the federal system that a single courageous state may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country."<sup>21</sup> Such has been the case with education reform in the states over the past few decades. Frustrated by the federal government's ineffective approach, states have taken educational entrepreneurship in their own hands by experimenting with new types of reform. Various forms of school choice initiatives such as charters, opportunity scholarships, and educational savings accounts have yielded positive results in localities across the country. Other types of reforms aimed at public school transparency such as merit pay, quantitative teacher evaluations, and parent triggers have experienced more mixed results.

While Americans for Prosperity Foundation is dedicated to promoting school choice broadly, we encourage citizens and statesmen to inform themselves about which specific reforms are most appropriate for their state. Thus, the remainder of this report will be dedicated to outlining the five most popular state-based educational reforms mentioned above and weighing their respective costs and benefits. We hope that with such information at hand, parents, teachers, and citizens can work together to enact educational reforms that, in the true spirit of the market, align individual incentives to impart American schoolchildren with the quality education they deserve.

### *Charter Schools*

The charter school movement has undoubtedly been the most successful education reform since the publication of

21. U.S. Supreme Court, *New State Ice Co. v. Liebermann*, 285 U.S. 262 (1932), <http://caselaw.lp.findlaw.com/scripts/getcase.pl?court=us&vol=285&invol=262>.

### Spotlight on Pennsylvania's Education Improvement Tax Credit

Pennsylvania's charter school system is far from perfect. However, one other school choice program the commonwealth has had considerable success with is its Education Improvement Tax Credit. Businesses in the Keystone State can receive up to a 90% corporate income tax credit for donations made to school scholarships or education improvement organizations. As a result of this strong incentive for charitable giving, numerous educational nonprofits and scholarships have flourished throughout the state, empowering parents with greater opportunities to improve their child's education.

Source: "EITC," Reach Foundation, <http://www.paschoolchoice.org/eitc/>.

*A Nation at Risk.* Crusaded by University of Massachusetts Professor Ray Budde throughout the 1980s, charter schools are an alternative to traditional public schools.<sup>22</sup> Although they receive and operate largely on public funding, charters are not subject to the same regulations as district schools. As a result, charters have greater flexibility to hire good teachers and fire bad ones, adjust their curricula to best serve their students' needs, and reduce class size to maximize the attention paid to individual students' academic progress.

More than two decades of empirical evidence has shown that charters'

educational freedom works. Charter schools in some of worst underperforming school districts in America have shown significant gains in their low-income students' academic progress. For example, the Success Academy Charter Schools in New York City's poorest neighborhoods are some of the best schools in the Empire State. In 2012, 97% of Academy student passed the math and 88% passed the English sections of New York's student assessment test, outperforming the city's public schools as a whole by 31% and 33%.<sup>23</sup> Most amazingly, 100% of Academy students passed the science section." Similar success stories can be found all around the country, especially in cities with large low-income populations like Chicago and Washington, D.C.

Besides anecdotal evidence, charter schools have been proven successful on a wide scale as well. The largest meta-analysis of charter schools, originally conducted in 2006, demonstrates that the evidence of charter schools' success is robust.<sup>24</sup> The meta-analysis, which examined 58 studies, finds that 44 concluded charter schools performed either the same or significantly better than their district school counterparts, while only 14 concluded they underperformed them. The last updated version of the study conducted three years later finds similar results.<sup>25</sup>

Even more exciting, emerging evidence has suggested that the positive effects of charter schools spill over onto traditional public schools as well.<sup>26</sup> After all, a public

22. Ted Kolderie, "Ray Budde and the origins of the 'Charter Concept,'" *Education Evolving* (June 2005), <http://www.educationevolving.org/pdf/Ray-Budde-Origins-Of-Chartering.pdf>.

23. "Our Results," Success Academy Charter Schools, <http://www.successacademies.org/page.cfm?p=11>.

24. Bryan C. Hassel and Michelle Goddard Terrel, "Charter School Achievement: What We Know," National Alliance for Charter Schools (October 2006), [http://web.archive.org/web/20080227174248/http://www.publiccharters.org/files/1554\\_file\\_CS\\_Achievement\\_Studies\\_Oct06\\_Update\\_1.doc](http://web.archive.org/web/20080227174248/http://www.publiccharters.org/files/1554_file_CS_Achievement_Studies_Oct06_Update_1.doc).

25. "Charter School Achievement: What We Know," National Alliance for Public Charter Schools (April 2009), [http://www.publiccharters.org/data/files/Publication\\_docs/Summary\\_of\\_Achievement\\_Studies\\_Fifth\\_Edition\\_2009\\_Final\\_20110402T222331.pdf](http://www.publiccharters.org/data/files/Publication_docs/Summary_of_Achievement_Studies_Fifth_Edition_2009_Final_20110402T222331.pdf).

Charter school competition motivates teachers and administrators to do their best in imparting students with a quality education.

school loses money each time one of its students enrolls in a charter since state per pupil funding follows the student to his or her new school. At a national average of \$10,615 per pupil, each student's attendance has a significant impact on their school's funding.<sup>27</sup> Thus, charter school competition motivates teachers and administrators to do their best in imparting students with a quality education.<sup>28</sup>

However, charter schools' general success does not mean that they are flawless. Some

charter systems are overly lax in allowing new schools to start up and have little accountability afterwards. Pennsylvania, for example, has 173 charter schools, and although most of them perform just as well or significantly better than traditional public schools, an unacceptable amount of them fare worse.<sup>29</sup> In fact, 39% of charter schools in the Keystone State underperform district schools on reading, and 46% on math.<sup>30</sup> Since charter schools were created to introduce competition into public education, they should not be

### Spotlight on Cyber Schools

The growth of the charter schools made way for lots of other educational innovations, not just in physical classrooms but online as well. Today, almost every state has established some sort of cyber charter school for its students to enroll in instead of a traditional classroom setting. As a young initiative, there is not much data yet available to measure cyber schools' success. However, early indicators are positive. Cyber schools are cost effective, spending only \$6,500 per pupil on average compared to \$10,615 in traditional public schools. Furthermore, they are extremely popular. The Florida Virtual School, for example, reports that 97% of parents agree the curriculum is rigorous. While cyber schools are still a work in progress, their praise from politicians, parents, and students alike indicates that they could be the next frontier of educational reform.

Sources: "Keeping Pace with K-12 Online Learning," Evergreen Educational Group (2011), <http://kpk12.com/cms/wp-content/uploads/KeepingPace2011.pdf>.

"Proven Results," Florida Virtual School, <http://www.connectionsacademy.com/florida-virtual-school/proven-results.aspx>.

26. Yusuke Jinnai, "The Impact of Charter Schools' Entry on Traditional Public Schools," University of Rochester (November 14, 2009), [https://d1be779e-a-62cb3a1a-s-sites.googlegroups.com/site/jinnaiweb/Jinnai\\_jobmarketpaper.pdf?attachauth=ANoY7cqIVKtff-QYTkaa2K3\\_Oq5sj0IYWbkt2tm3G8--XS7IyQH0\\_1sGk8U0y3sDCFVFDMDpR5o23qujp\\_Z9\\_BsmUsb9qEMB9I9mnCApQR1QvquBWuCCn\\_Duai610xn-6CikeA7KJOY1rrCGWzapX8BQB4Wh32Cn5ZAY1Es6rSuIQxGziwiVla0AR85oTi6BQ8onRZMaLaqQTm-phziPu4-LL3XOpXijOMRChdJ0pRkuHdR72YdfxdHo%3D&attredirects=0](https://d1be779e-a-62cb3a1a-s-sites.googlegroups.com/site/jinnaiweb/Jinnai_jobmarketpaper.pdf?attachauth=ANoY7cqIVKtff-QYTkaa2K3_Oq5sj0IYWbkt2tm3G8--XS7IyQH0_1sGk8U0y3sDCFVFDMDpR5o23qujp_Z9_BsmUsb9qEMB9I9mnCApQR1QvquBWuCCn_Duai610xn-6CikeA7KJOY1rrCGWzapX8BQB4Wh32Cn5ZAY1Es6rSuIQxGziwiVla0AR85oTi6BQ8onRZMaLaqQTm-phziPu4-LL3XOpXijOMRChdJ0pRkuHdR72YdfxdHo%3D&attredirects=0).

27. "States Ranked According to Per Pupil Public Elementary-Secondary School System Finance Amounts: 2009-2010" U.S. Census Bureau (2012), [http://www.census.gov/newsroom/releases/pdf/cb12-113\\_table11.pdf](http://www.census.gov/newsroom/releases/pdf/cb12-113_table11.pdf).

28. George M. Holmes, Jeff De Simone, Nicholas G. Rupp, "Does School Choice Increase School Quality?," National Bureau of Economic Research (May 2003), <http://www.nber.org/papers/w9683>.

29. "2023-3024 Charter and Cyber Schools," Pennsylvania Department of Education (September 5, 2012), [https://docs.google.com/viewer?url=http%3A%2F%2Fwww.portal.state.pa.us%2Fportal%2Fhttp%3B%2F%2Fwww.portal.state.pa.us%3B80%2Fportal%2Fserver.pt%2Fgateway%2FPTARGS\\_0\\_148494\\_1282551\\_0\\_0\\_18%2F2012-2013%2520Charter%2520and%2520Cyber%2520Schools.pdf](https://docs.google.com/viewer?url=http%3A%2F%2Fwww.portal.state.pa.us%2Fportal%2Fhttp%3B%2F%2Fwww.portal.state.pa.us%3B80%2Fportal%2Fserver.pt%2Fgateway%2FPTARGS_0_148494_1282551_0_0_18%2F2012-2013%2520Charter%2520and%2520Cyber%2520Schools.pdf).

30. "Charter School Performance in Pennsylvania," Stanford University (April 2011), [http://credo.stanford.edu/reports/PA%20State%20Report\\_20110404\\_FINAL.pdf](http://credo.stanford.edu/reports/PA%20State%20Report_20110404_FINAL.pdf).



### Spotlight on Arizona's Education Savings Account

One common legal problem opportunity scholarships face are state Blaine Amendments prohibiting public money from aiding private schools of a religious affiliation. Since many of America's best private schools are parochial, this amendment has nullified many proposed opportunity scholarships programs of the past. Fortunately, Arizona has discovered a legal mechanism to both keep Blaine in place and allow parents to send their children to a religious private school through a voucher-like system. Its Education Savings Account allows qualified students, typically those who have attended a failing school or are of special needs, to receive an annual deposit from the state that his or her parents can spend on education. More than 230,500 Arizona students are eligible for the program in 2013, offering hope for educational improvement while maintaining the rule of law.

Source: Jonathan Butcher, "Education Savings Accounts: Questions and Answers," *Goldwater Institute*, <http://goldwaterinstitute.org/article/education-savings-accounts-questions-and-answers>

shielded from market forces. Just as good charter schools should be rewarded, bad charter schools should be shut down. This competition will allow parents to rest assured that their child is receiving the best education public money can buy when they choose a charter.

Another potential improvement to the current state of charters is expansion. Many states have strict quotas on how many charters are allowed to start up, limiting opportunity to students in low-performing schools. The Harlem Success Academy, for example, is in such high demand for enrollment that students are randomly chosen by lottery. If states like New York facilitated further charter school startups, more students would have access to high-performing charters.

#### Opportunity Scholarships

Also known as "school vouchers," opportunity scholarships are a choice initiative similar to charters in which parents are empowered to select their child's school instead of being restricted by

their zip code. Unlike charters, however, school vouchers are not limited to public schools but can be used for private institutions as well. Currently, twelve states and the District of Columbia have some sort of opportunity scholarship program.<sup>31</sup> Although none of them are identical, the most common model for an opportunity scholarship system is for the state government to give parents an allowance for the amount of public money they spend per pupil that the parents can then spend on selecting their preferred school.

The grandfather of the opportunity scholarship concept, economist Milton Friedman, originally envisioned they would be available to all schoolchildren regardless of academic performance or socioeconomic status.<sup>32</sup> However, this wide-sweeping change from the public school status quo was met by tremendous opposition from teachers unions, resulting in scholarship laws that are significantly watered down. Consequently, every opportunity scholarship systems in the United States today restricts eligibility,

The grandfather of the opportunity scholarship concept, economist Milton Friedman, originally envisioned they would be available to all schoolchildren regardless of academic performance or socioeconomic status.

31. "School Voucher Laws: State-by-State Comparison," National Conference of State Legislatures, <http://www.ncsl.org/issues-research/educ/voucher-law-comparison.aspx>.

32. "Milton Friedman on Vouchers," The Friedman Foundation for Educational Choice (2003), <http://www.edchoice.org/The-Friedmans/The-Friedmans-on-School-Choice/Milton-Friedman-on-Vouchers.aspx>.

