

Ten Reasons to Oppose “Put Parents in Charge”

1. **Every state with a tuition tax credit program ends up losing millions of dollars for public education and other essential state services.** (See *Fact Sheet #1.*)
2. **Research has shown that parent control is equal or greater in public schools.** (See *Fact Sheet #2.*)
3. **Tuition tax credit programs do not improve student achievement and they do not cause public schools to improve.** (See *Fact Sheets #3a & #3b.*)
4. **Tuition tax credit and voucher programs have an extensive history of wasting taxpayer dollars through theft and fraud.** (See *Fact Sheet #4.*)
5. **Those with children already in private schools—those with the means to pay for private education—benefit the most from tuition tax credit programs.** (See *Fact Sheet #5.*)
6. **Schools accepting tax credit students will be able to choose who they accept and reject despite receiving public tax dollars.** (See *House bill H.3204*)
7. **Tuition tax credit programs increase educational inequality.** (See *Fact Sheet #7.*)
8. **Schools accepting tax credit students will not have to meet state education standards and will not have to be accountable to the public for their use of tax dollars or how well students are achieving.** Children will suffer from being educated in unregulated schools created to receive tax credit funding. (See *House bill H.3204 & Fact Sheet #8.*)
9. **Tuition tax credits are not an efficient or cost-effective use of taxpayer dollars.** (See *Fact Sheet #9*)
10. **Groups outside of South Carolina, financed with millions of dollars, are paying to promote passage of “Put Parents in Charge.” Their agenda is to get rid of public education in our country.** (See *Fact Sheet #10.*)

Results of tuition tax credit (voucher) programs

Public schools and state agencies lose millions in funding

What is the change in revenues to the state from tuition tax credits? **“State revenues fall.”**

National Center for the Study of Privatization in Education, Columbia University, 2001.

The South Carolina Board of Economic Advisors estimates that the state budget will lose \$234 million a year when tuition tax credits are fully implemented.

In Milwaukee, the school district initially raised local property taxes to make up for state funding lost to the voucher program, and all other school districts in the state had to contribute part of their state aid to pay for the voucher program. *Vermont School Board Association, 2002.*

The loss in state revenue from tuition tax credits would continue to grow. The maximum tax credit amounts and the eligible income amount would increase each year with inflation. *House bill H.3012*

Annual state revenues lost due to partial* tuition tax credit programs in other states

State	Type	Max. Credit	Annual revenue loss
FL	Contrib.	NA	\$88 mil. (current cap)
IL	Tuition	\$500	\$70+ mil.
PA	Contrib.	NA	\$45 mil. (current cap)
AZ	Contrib.	\$625	\$30+ mil.

Palm Beach Post, May 14, 2004; Illinois Dept. of Revenue Annual Report, FY02; Pittsburgh Tribune-Review, June 21, 2004; Arizona Dept. of Revenue 2004 Annual Report

*South Carolina’s proposed law offers both “contribution” and “tuition” tax credits. Each of these states only offers *one* of these types.

Also where applicable, South Carolina’s proposed, maximum tax credit amounts are five to six times larger than for these states.

There is a “revenue impact when the tax credits going to students already enrolled in independent schools are phased in. We predict that the state will have ample savings to plow back into the districts to assist them in meeting this challenge.” *From the fiscal impact analysis study by Cotton Lindsey from which tax credit proponents claim that the law will have zero fiscal impact on local school districts.*

South Carolina state government recently ran deficits for two years and has had several years of revenue shortfalls resulting in a drop in state expenditures of \$560 million from 2001 to 2004. *South Carolina Budget and Control Board.*

State agencies and programs will lose funding because of tuition tax credits.

With tuition tax credits causing state revenues to decrease every year by more than \$200 million, funding for public education, universities, parks, state troopers, Medicaid, prisons and other essential state services will have to be reduced. This affects the pocketbooks of taxpayers and the services that we all use.

For example, in the last three years annual state spending for higher education has been cut by \$183 million. This has resulted in tuition increases of 75% at Clemson University and 55% at the University of South Carolina for in-state students.

Results of tuition tax credit (voucher) programs

Parent control is equal or greater in Public Schools

Case studies of public and private schools found the following in terms of school accountability to parents:

- **Parents of public school children can command as much or more control over educational issues as do parents of private school children.**
- **As private institutions, private schools have the capacity to shield teachers and administrators from parental demands.**
- **Parents may have the choice to exit private schooling, but they do not necessarily have a voice to shape what occurs there. Parents of private schools do not have ownership over the school; *rather they are primarily consumers of educational services*. Ultimately, families are presented with two choices: to accept the school as it is or to find a different institution that better suits their educational expectations.**
- **At schools in lower-income communities, the pattern of parental control is the same for both public and private school parents.**

Research by professors and education specialists at Stanford University, Occidental College and the World Bank, 1999

Public suburban schools were actually more responsive to parents. These parents thought they had both a right and a responsibility to take an active role in their children's education. Private schools were more successful at telling parents that in matters of curriculum and instruction, all decisions rested with the school. "School Vouchers," Education Policy Studies Laboratory, Arizona State University, 2001.

Results of tuition tax credit (voucher) programs

No gain in student achievement or public school performance

“There are virtually no differences in performance between students who use a voucher and students who attend public schools.” *Indiana University study of the Cleveland school voucher program, 2003. This is the longest running research of any publicly-funded voucher program in the United States.*

The evidence “fails to show that vouchers have a significant competitive effect on public school districts in which parents have a choice of vouchers for their children. Private schools that accept vouchers do not force an increase in quality in public schools despite strong claims to the contrary.” *Conclusion of researchers from Duke, Stanford, Columbia and Princeton Universities, conference call, 2003.*

Students as a whole did no better with vouchers than without.

Harvard University study of the New York City voucher program, 2001.

Low-performing schools in Texas (without vouchers) show achievement gains comparable to similar schools in Florida (with vouchers).

University of Texas study comparing the performance of low-performing schools in Texas and Florida, 2001.

African-American students in voucher schools did no better than those in public schools.

Princeton University study by Krueger and Zhu of the New York City voucher program, 2003.

Gains in F-rated schools in Florida have “little or nothing to do with vouchers.” We have found “comparable patterns of gains in the low-performing schools in North Carolina” (without vouchers).

Duke University study comparing the performance of low-performing schools in North Carolina and Florida, 2001.

Public school students in smaller class sizes “outperformed voucher students in reading” and “did as well as voucher students in math.”

Princeton University study by Cecilia Rouse of the Milwaukee voucher program, 1997.

Voucher students in Dayton, New York City and Washington made “small academic gains at best.” *General Accounting Office Study, 2003.*

There is “no empirical support for the view that competition enhances the quality of teaching and learning in schools.” *Duke University study of vouchers, 2000.*

“On average, there is no significant difference in achievement between children participating in the voucher programs and those who remain in public schools.”

Conclusion of researchers from Duke, Stanford, Columbia and Princeton Universities, conference call, 2003.

“Pupils in voucher schools do not outperform public school pupils. Nor has competition made public schools better.” *Study of vouchers by researchers at the University of Illinois and Stanford University, 1998.*

Results of tuition tax credit (voucher) programs

Student Achievement: S. Carolina outperforms Florida

Proponents of tuition tax credits often cite South Carolina's poor average score on the SAT and our low graduation rate as why we need "Put Parents in Charge."

However, despite having the most extensive voucher and tuition tax credit program of any state in the nation (with vouchers since 1998 and tuition tax credits since 2002), Florida's student achievement is often below, or no better than, South Carolina's.

In fact, in the five years since Florida initiated its voucher/tax credit programs, South Carolina has outperformed Florida in both the SAT and NAEP.

5-year improvement in SAT scores

Florida	+1
S. Carolina	+32 (best in the nation)

Both Florida and South Carolina's SAT scores are below the national average of 1026. Florida's 2004 average score was 998 and South Carolina's was 986.

National Assessment of Educational Progress (NAEP)

South Carolina 2003 NAEP scores are higher than Florida on three out of four reading and math scores.

In fact, a recent study by the Educational Testing Service shows that over a four-year time period, South Carolina had the third best improvement in math and the fourth best improvement in reading in the nation on the National Assessment of Educational Progress (NAEP). (Florida was not ranked because of lack of earlier data.)

NAEP is the nation's only ongoing assessment of what students know and can do in core academic subjects. Given to 4th and 8th graders, it is the only assessment that allows states to compare their results with other states.

Graduation rate

Florida and South Carolina rank 50th and 51st in graduation rates. (The Urban Institute)

Results of tuition tax credit (voucher) programs

Taxpayer dollars wasted through theft and fraud

Florida's voucher and tuition tax credit programs lead to abuse and "possible criminal activity." As a result five criminal investigations are being conducted. *Chief Financial Officer, State of Florida, Dec. 11, 2003.*

An Islamic school named in a federal terrorism indictment received \$350,000 from Florida taxpayers through the corporate tax credit program. *Palm Beach Post, July 1, 2004.*

Alex's Academics of Excellence in Milwaukee received \$2.8 million in voucher money over three years, despite the fact that the school's founder was convicted of rape in the 1970s. Teachers at the school went unpaid, and former school administrators say employees smoked marijuana at the school. *Milwaukee Journal-Sentinel, Sept. 15, 2003*

Seven employees of a Christian school in Bartow, Florida were arrested for defrauding taxpayers out of \$200,000. The school took tax credit money for children who did not attend classes and used some of it to buy a satellite television, a 2003 Hummer sport utility vehicle and real estate. *Associated Press report, July 29, 2004 and Palm Beach Post, August 12, 2004.*

Florida's Education Commissioner resigned amid reports of school voucher abuses resulting in the theft of hundreds of thousands of tax dollars and for allowing 227 ineligible students into "virtual-school" programs paid for with \$1.1 million in voucher money. Lawmakers were forced to approve a \$1.1 million budget transfer to pay for the blunder. *Palm Beach Post, August 12, 2004.*

A voucher school in Ocala, Florida is bankrupt and lost accreditation after investigators said the principal was only a figurehead who had no budget to support the school or educate students. *Palm Beach Post, Jan. 7, 2004.*

You say it can't happen in South Carolina? It already has.

A charter school in Charleston was paid for 300 students even though the school only had 80. More than \$350,000 in public money to the school is being investigated including the use of public funds for Christmas parties while teachers went unpaid. *Greenville News, June 28, 2004.*

"Two years after the [tuition tax credit] program's creation, those running it can't say where nearly \$30 million has gone, who has benefited or whether Pennsylvania education has improved. *Editorial by a Pennsylvania State Senator on their state's tuition tax credit program, Pittsburgh Post-Gazette, June 9, 2003.*

A tuition tax credit scholarship organization in Florida is under investigation for the disappearance of \$400,000. The head of the organization was previously arrested and charged with fraud, racketeering, conspiracy and drug trafficking. *Palm Beach Post, Aug. 24, 2003.*

The State Office of Fiscal Integrity launched a criminal investigation of Florida's largest tax credit scholarship granting organization charging financial mismanagement and other illegal activities. The organization then left the scholarship funding business. *Sun Sentinel, Dec. 12, 2003 and Palm Beach Post, Jan. 3 and 15, 2004.*

An independent auditor hired by Ohio found almost \$2 million in questionable expenses in the Cleveland voucher program *in the first year*. Of that amount, \$1.4 million was spent for taxis to transport students—including \$419,000 in over-billing by taxi companies charging for absent students. "School Vouchers: The Emerging Track Record," *National Education Association, Jan. 2004.*

In Milwaukee, a voucher school signed up more than 200 students who never showed up and then cashed \$330,000 in state-issued tuition checks, which the principal used to buy two Mercedes vehicles. *Milwaukee Journal-Sentinel, Feb. 16, 2004.*

"There's \$50 million out there and I don't know where it's gone. I can't name a student. I can't name a school. I can't name a student in a school." *Government official in the Florida Office of School Choice, Palm Beach Post, July 10, 2003.*

Results of tuition tax credit (voucher) programs

Those with children already in private schools benefit the most

“Those who already have children in private schools are the largest group of beneficiaries [of tuition tax credits]”

National Center for the Study of Privatization in Education, Columbia University, 2001.

“It [Illinois tuition tax credit program] probably has not served its intended purpose. Maybe I was naïve. I said this was going to benefit poor kids. Primarily it has benefited middle class families that had already made the decision to send their kids to private schools.” *The former Illinois Superintendent of Education as quoted in the Chicago Sun-Times, Oct. 22, 2002.*

“It is mostly middle-income families whose kids are in private schools who are taking advantage of the [Arizona tax credit] program, not the poor kids supporters claimed it would help.” *Spokesperson for the Arizona governor as quoted in the Arizona Republic, April 9, 2000.*

“76 cents of every tax credit dollar appears to have gone to families whose children were already enrolled in private schools.” With 5 percent going to administrative expenses, only “about 19 cents went to students who moved from public to private schools.”

Arizona State University study of the Arizona tuition tax credit program, March 2002.

“The [Illinois] tax credit particularly benefits those students already enrolled in private, religious schools...the credit has not resulted in increased enrollment in Catholic schools.” *Spokesperson for The Catholic Conference of Illinois as quoted in the State Journal-Register, June 18, 2002.*

90% of tuition tax credit scholarship organizations in Arizona surveyed primarily serve students already in private schools: public school students are considered only if money is available after existing students are provided for.

“Several [Pennsylvania] private school officials said that most of the [tuition tax credit] scholarships are going to students already in their classrooms. Further, a number of those schools are in affluent and middle-class areas, rather than areas where neediest students tend to live.” *Allentown Morning Call, Aug. 4, 2002.*

“The [Arizona] tax credit program functions more as a middle- and upper-class subsidy than it does as a vehicle for increasing access for low-income students.” *Arizona State University study of the Arizona tax credit program, 2000.*

A study of one scholarship granting organization in Arizona found that 96% of tax credit funds went to students already enrolled in private schools. *Arizona Republic, April 9, 2000.*

Results of tuition tax credit (voucher) programs

Increase in educational inequality

Voucher systems “reinforced segregation, social stratification, and inequities” between low-income students and their better-off counterparts.

Evaluations of two large voucher experiments by researchers at the University of Illinois and Stanford University, 2000.

To the extent that choice programs benefit children at all, they benefit the children of better educated parents. *Carnegie Endowment for the Advancement of Teaching, 1992.*

“Choosing” families have more education, higher incomes and higher standardized test scores and were less likely to be poor and less likely to be African-American. *Analysis of the private school choice program in San Antonio by researchers at UNC-Charlotte and the University of North Texas, 1998.*

Educational “markets” make existing inequalities in education worse. *Review of research on school choice in the U.S., Great Britain and New Zealand by a professor at the Institute of Education, University of London, 1997.*

There is extensive evidence that choice programs are likely to further divide pupils and communities along social, economic, ethnic and class lines, increasing social stratification rather than enhancing educational equity.

“Vouchers only represent a false hope.”

Report by University of Wisconsin-Milwaukee professor at Columbia University seminar, 2001.

Instead of improving the schools serving poor and minority students, large-scale market-based reforms are likely to worsen their problems. *Duke University study of vouchers, 2000.*

Results of tuition tax credit (voucher) programs

Children suffer due to lack of standards and accountability

A Florida voucher school has been accused of physically abusing their students and is also under investigation for providing students with no textbooks or outdated ones.

In addition, some students have had seven different teachers in seven months. Some parents are reported to have been paid in cash to buy their silence. *St. Petersburg Times, April 14, 2002.*

Nine Milwaukee voucher schools have no accreditation, were not seeking accreditation, and administered no standardized tests, according to a recent state audit.

In one year, four voucher schools in Milwaukee were shut down because of fraud, mismanagement or negligence. *“School Vouchers: The Emerging Track Record,” National Education Association, Jan. 2004.*

“If it’s government money, don’t you have to have someone watching how the money is spent? They need to have some kind of control, and not just tell people ‘If you don’t like it, you can leave.’” *Parent of a child in a failed Florida voucher school, St. Petersburg Times, April 14, 2002.*

The Golden Christian Academy in Cleveland, supported by voucher money, was found to be a “parent-run video school,” with students watching recorded lessons given by an on-screen teacher. *Cleveland Plain Dealer, July 10, 1999.*

A voucher school in Cleveland was allowed to operate in a 100-year-old building with no fire alarm or sprinkler system and lead-based paint eight times greater than the level considered safe.

Eight of the 12 instructors did not have teaching licenses and one had been convicted of first-degree murder. *“School Vouchers: The Emerging Track Record,” National Education Association, Jan. 2004.*

Students who used vouchers to attend new private schools—those established as a result of the voucher program—scored significantly lower than their peers, in both public schools and existing private schools, on all academic tests in all subjects. *Indiana University study of the Cleveland school voucher program, 1999.*

About half the students receiving private school scholarships were back in the public schools by the second year of the program. *Harvard University study of private-school scholarship programs in Dayton, New York and Washington, D.C., 2000.*

With no standards or accountability, South Carolina children are vulnerable.

Schools receiving tuition tax credit funding will not be held to the same standards as public schools. In fact, these schools will not be held to any standards for student safety or achievement. There is no requirement that they employ certified teachers, provide information about their curriculum or even teach in accordance with state standards. They will not be required, as public schools are, to test their students with state-mandated tests and give the public information about their test scores.

With tuition tax credits, there is no way to protect vulnerable children from neglect, abuse and dishonest schemes.

Results of tuition tax credit (voucher) programs

Tuition tax credits are not efficient or cost effective

The Governor's 2005-06 Executive Budget calls for state activities to be funded because they are "the most cost-efficient and effective ways to achieve the designated goal area." (FY2005-06 Executive Budget, page 28) "Put Parents in Charge" legislation does not meet that criteria.

"Put Parents in Charge" is not cost-efficient for the following reasons:

- **An Arizona State University study of the tuition tax credit program in Arizona found that only 19 cents of every tax credit dollar results in a change in student education (students moving from public to private schools). 81% of taxpayer dollars go to activities other than a change in students' educational status. (76% goes to students who already attend a private school and 5% goes to administrative costs.) *Arizona State University study of the Arizona tuition tax credit program, 2002.***
- **Three independent studies of the efficiency of tuition tax credits (the proportion of tuition tax credit dollars that moved children from public to private schools) found the efficiency to be very low. Three separate researchers found tuition tax credits to be only 5 to 15 percent efficient. *National Center for the Study of Privatization in Education, Columbia University, 2001.***
- **The Cato Institute, a strong advocate of tuition tax credits, estimated an efficiency range of 15% to 30%. *Cato Institute, 2001***

Based on this research, 70% to 95% of tuition tax credit dollars are wasted resulting in no net benefit to state taxpayers.

Outside groups, with their own agenda, want to change our K-12 education system

(As reported in South Carolina newspapers)

An out-of-state group, the Michigan-based **All Children Matter** spent more than \$150,000 in a South Carolina state senate race this year.

According to the editor of *The State* newspaper, “This group doesn’t care about you or me or any of the people of South Carolina. It cares only about advancing its agenda.” Their agenda is “advancing a national movement away from the notion that states have a responsibility to provide good, accountable public schools.”

“In South Carolina, the group backs the proposal to take money that would otherwise go to run public schools and use it to pay some parents to send their kids to private schools.”

“There is an opportunity (in South Carolina) that we see to push some type of vouchers or tax credits,’ said J. Sam Daniels, a Charlotte-based political consultant working with All Children Matter. All Children Matter raked in \$919,500 in contributions in the past six months. Daniels said the group plans to spend the money in South Carolina and other states.” *The State (Columbia), July 25, 2004 and The State editorial, October 31, 2004*

“Near the end of the last state legislative session, the Washington-based **Legislative Education Action Drive (LEAD)** helped a local affiliate, South Carolinians for Responsible Government, run a phone bank that swamped lawmakers’ phones by connecting voters directly to their representatives.” *The State (Columbia) July 25, 2004.*

The primary agenda of South Carolinians for Responsible Government is tuition tax credits. The Columbia-based group paid for, and sent, several mailings in an effort to defeat two incumbents on the Greenville County school board this fall. Group chairman Tom Swatzel said the group gets substantial contributions from both inside and outside the state. *The Greenville News, October 28, 2004*

As the editor of *The Greenville News* commented, “Why in the world is a statewide group with no clearly stated ties to Greenville County trying to influence two local school board races? This doesn’t pass the smell test, and Greenville County voters should be suspicious.” The editor further states that the mailings were “slash-and-burn mailers mischaracterizing the voting records of these two board members.” *The Greenville News editorial, October 30, 2004*

In addition, the national LEAD Foundation and the South Carolina Policy Council, both strong supporters of school vouchers and tuition tax credits, jointly commissioned a \$54,000 report on the fiscal impact of “Put Parents in Charge,” said LEAD treasurer Eric O’Keefe. *Charleston Post and Courier, March 2, 2004.*

Both **All Children Matter** and **LEAD** “hope a success in South Carolina will encourage efforts in other states.” *The State (Columbia), July 25, 2004*