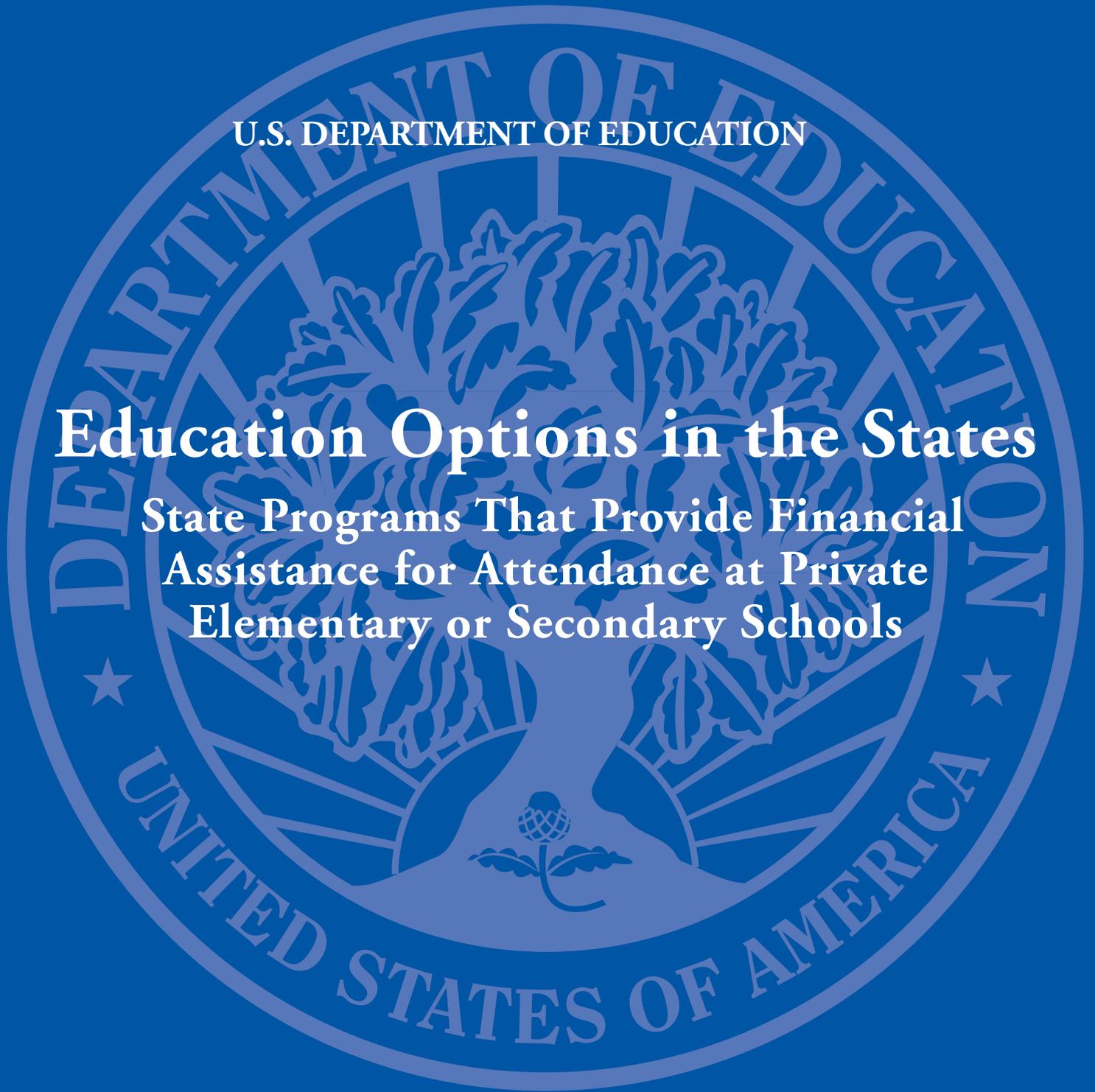


U.S. DEPARTMENT OF EDUCATION

# Education Options in the States

State Programs That Provide Financial  
Assistance for Attendance at Private  
Elementary or Secondary Schools



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## **State Programs That Provide Financial Assistance for Attendance at Private Elementary or Secondary Schools**

**U.S. Department of Education  
Office of Innovation and Improvement  
Office of Non-Public Education**

**2009**

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February 2009

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## **List of Abbreviations**

<i>A.R.S</i>	<i>Arizona Revised Statutes</i>
CMSD	Cleveland Metropolitan School District
<i>D.C. Code</i>	<i>District of Columbia Official Code</i>
<i>Fla. Stat.</i>	<i>Florida Statutes</i>
<i>ILCS</i>	<i>Illinois Compiled Statutes</i>
<i>IDEA</i>	<i>Individuals with Disabilities Education Act</i>
IEP	Individualized Education Program
<i>L.R.S.</i>	<i>Louisiana Revised Statutes</i>
<i>M.R.S.</i>	<i>Maine Revised Statutes</i>
<i>Minn. Stat.</i>	<i>Minnesota Statutes</i>
MPCP	Milwaukee Parental Choice Program
<i>ORC Ann.</i>	<i>Ohio Revised Code Annotated</i>
<i>P.S.</i>	<i>Pennsylvania Statutes</i>
SOs	Scholarship Organizations
SFOs	Scholarship Funding Organizations
SGOs	Scholarship Granting Organizations
STOs	School Tuition Organizations
SSOs	Student Scholarship Organizations
<i>RIGL</i>	<i>State of Rhode Island General Laws</i>
<i>Utah Code Ann.</i>	<i>Utah Code Annotated</i>
<i>V.S.A.</i>	<i>Vermont Statutes Annotated</i>
WSF	Washington Scholarship Fund
<i>Wis. Stat. Ann.</i>	<i>Wisconsin Statutes and Annotations</i>

## Preface

In recent years, there has been an expansion of education options for parents to choose schools for their children. That is parents have many more opportunities than just a few years ago to choose from an array of public school options, including charter, virtual, and magnet schools. Parents also have access to an increasing number of state programs that provide financial support for their children to attend private schools, in the form of scholarship or scholarship-like tuition assistance, tax credit, and tax deduction programs. This report provides information on such programs. As of the end of calendar year 2008, 24 programs were in place in 14 states and the District of Columbia. This compares with 22 programs in 13 states and the District of Columbia in August 2007, and seven programs in seven states in 1997. Between August 2007 and December 2008, three new programs in two states (one in Georgia, two in Louisiana) were signed into law, and one program (in Utah) was repealed, for a net increase of two programs and one state.

This report is an update of the August 2007 U.S. Department of Education publication, *Education Options in the States: State Programs That Provide Financial Assistance for Attendance at Private Elementary or Secondary Schools*. We trust it will be a useful reference for parents, educators, researchers, public officials, and others.

Margo Anderson  
Associate Assistant Deputy Secretary, Delegated the Authority to  
Perform the Functions of the Assistant Deputy Secretary for  
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The Office of Non-Public Education in the Office of Innovation and Improvement within the U.S. Department of Education is pleased to provide this updated report on state programs that provide financial assistance for student attendance at private elementary and secondary schools. The information in this report was obtained primarily from state laws and regulations, official state documents, and Web sites of state education and revenue agencies; Erin McHugh, of the Office of Non-Public Education, edited this report. To the extent possible, state officials have confirmed information in this report. The Office of Non-Public Education is solely responsible for any errors or omissions.

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## Introduction

This report provides information on state programs that provide financial assistance for student attendance at private elementary and secondary schools.

### Types of programs discussed in this report

In this report, state programs are grouped in the following two general types:

- **Scholarship** or **scholarship-like tuition assistance** programs
- **Tax credit** or **tax deduction** programs

The following descriptions of these general types are provided to assist the reader.

**Scholarships** are payments made to families or guardians on behalf of students or to education institutions as directed by those acting on behalf of students for a student's education expenses. The term "voucher" is also used to describe this form of payment. Scholarships may be funded publicly by tax dollars or privately by scholarship organizations. This report describes only *publicly funded* scholarship programs, sometimes referred to as "tax-supported scholarships." Education institutions that accept publicly funded scholarship students also may be public or private. This report focuses on scholarship programs that allow for attendance at *private elementary and secondary schools*. Education expenses covered by scholarships normally include tuition, and also may include a range of fees and transportation costs. Scholarships may cover such expenses in full or in part.

Scholarship programs may be designed so that assistance is available only to students who meet certain eligibility criteria. Student eligibility criteria used in state scholarship programs may include but are not limited to: original school of attendance, area of residence, family income, and disability. In classifying state programs into scholarship type, this report accordingly includes a further short description of the set of students eligible for assistance. For instance, this report refers to the scholarship program in the state of Wisconsin as providing *scholarships to students from low-income families in Milwaukee*.

**Scholarship-like tuition assistance** refers to a particular kind of assistance provided by the states of Maine and Vermont. In these states, school districts that have no available public schooling options at a given level (e.g. secondary school) –typically, school districts in small towns or rural areas –may pay the costs associated with its students attending private or public schools in other districts.

**Tax credit** and **tax deduction** programs reimburse education-related expenses fully or partially via tax relief. Tax credit programs reduce a taxpayer's tax liability. Tax deduction programs provide reductions in taxable income prior to calculation of tax liability. As with publicly funded scholarship programs, this report focuses on tax credit and tax deduction programs that provide assistance for student attendance at *private*

*elementary and secondary schools.*

Tax credit and tax deduction programs may be designed to provide tax relief to specific recipients for specific education-related expenses. In this report, tax credit and tax deduction programs are classified further as applicable to a) *individual* or *corporate* taxpayers for charitable contributions to organizations that provide scholarships for eligible students choosing to attend private schools and b) *parent* (or guardian) taxpayers for education expenses including, but not limited to, private school tuition.

## **Organization of the report**

Information on state programs in this report is organized in two sections, followed by two appendixes.

**Overview of state programs** provides an overview of the state programs signed into law as of Dec. 31, 2008, including tables of selected state program data. Data are presented in tables according to program type. State programs providing financial assistance for student attendance at private elementary and secondary schools are listed in table 1 by state, program type, type of program, and the year it was signed into law. Information on the number of students participating in scholarship or scholarship-like tuition assistance programs, and the average amount of assistance provided by those programs is listed in table 2. For information on the numbers of scholarship organizations and scholarships awarded via tax credits or tax deductions to individuals or corporations who make contributions to scholarship organizations, see table 3. For information on the number of taxpayers (parents) claiming tax credits for education expenses as well as the average amount of the claim by program, see table 4.

**Descriptions of state programs** provides individual summary descriptions of the respective state programs. Where available, information is provided on the following topics: program type, name, description, amount of assistance, number of participants, authorizing statute, legislative history, judicial history, and sources for more information.

**Appendix A** provides citations for the authorizing statute(s) along with expanded statute descriptions and hyperlinks to statutory documents for each of the respective state programs.

**Appendix B** lists Web resources for further information on the state programs and for information on general issues in private school choice.

## Overview of State Programs

As of the end of calendar year 2008, 24 programs were in place in 14 states and the District of Columbia. See table 1.

**Table 1. State Programs Providing Financial Assistance for Student Attendance at Private Elementary and Secondary Schools as of Dec. 31, 2008**

State	Program Type	Type of Program	Year Signed Into Law
Arizona	Tax Credits	Tax credits for individuals for contributions to scholarship organizations	1997
Arizona	Tax Credit	Tax credits for corporations for contributions to scholarship organizations	2006
Arizona	Scholarships	Scholarships for students with disabilities	2006
Arizona	Scholarships	Scholarships for foster care children	2006
Florida	Scholarships	Scholarships for students in failing schools <sup>a</sup>	1999
Florida	Scholarships	Scholarships for students with disabilities	1999
Florida	Tax Credits	Tax credits for corporations for contributions to scholarship organizations	2001
Georgia	Scholarships	Scholarships for students with disabilities	2007
Georgia	Tax Credits	Tax credits for individuals and corporations for contributions to scholarship organizations	2008
Illinois	Tax Credits	Tax credits for parents for education expenses	1999
Iowa	Tax Credits	Tax credits for parents for education expenses	1987
Iowa	Tax Credits	Tax credits for individuals for contributions to school tuition organizations	2006
Louisiana	Scholarships	Scholarships for students from low-income families in New Orleans	2008
Louisiana	Tax Deduction	Tax deduction to individuals for tuition and qualified educational expenses	2008
Maine	Tuition Assistance	Scholarship-like tuition assistance for students in small towns and rural areas	1873
Minnesota	Tax Credits and Tax Deductions	Tax credits and tax deductions for parents for education expenses	1955/ 1997
Ohio	Scholarships	Scholarships for students in Cleveland	1995
Ohio	Scholarships	Scholarships for students with autism	2003
Ohio	Scholarships	Scholarships for students in underperforming schools	2006
Pennsylvania	Tax Credits	Tax credits for corporations for contributions to scholarship organizations	2001
Rhode Island	Tax Credits	Tax credits for corporations for contributions to scholarship organizations	2006
Utah	Scholarships	Scholarships for students with disabilities	2005
Utah	Scholarships	Scholarships for all students <sup>b</sup>	2007
Vermont	Tuition Assistance	Scholarship-like tuition assistance for students in small towns and rural areas	1869
Wisconsin	Scholarships	Scholarships for students from low-income families in Milwaukee	1990
District of Columbia	Scholarships	Scholarships for students from low-income families <sup>c</sup>	2004

<sup>a</sup> This program was terminated at the end of the 2005–06 school year.

<sup>b</sup> This program was not implemented because it was voted down in a statewide referendum in November 2007.

<sup>c</sup> This program is federally funded.

Sources: Officials and Web sites of state education agencies.

As of the end of calendar year 2008, 13 programs provided scholarship or scholarship-like tuition assistance for students to attend private schools. See table 2.

**Table 2. Number of Participating Students and Average Amount of Assistance in Scholarship or Scholarship-like Tuition Assistance Programs by State, 2007–08 School Year**

<b>State</b>	<b>Participating Students</b>	<b>Average or Maximum Amount of Assistance</b>
<b>Arizona:</b> for students with disabilities	186	\$8,238
<b>Arizona:</b> for displaced students	189	\$3,945
<b>Florida:</b> for students with disabilities	19,852	\$6,613
<b>Georgia:</b> for students with disabilities	908	\$6,273
<b>Louisiana:</b> for low-income students in New Orleans	n/a <sup>d</sup>	n/a <sup>e</sup>
<b>Maine:</b> for students in small towns and rural areas	14,012	\$8,039 <sup>f</sup>
<b>Ohio:</b> for students in Cleveland	6,272	<b>\$3,450<sup>g</sup></b>
<b>Ohio:</b> for students with autism	1,005	\$15,500
<b>Ohio:</b> for students who attend low-performing schools	7,114	<b>\$5,300<sup>h</sup></b>
<b>Utah:</b> for students with disabilities	545	\$4,449
<b>Vermont:</b> for students in small towns and rural areas	2,459 <sup>i</sup>	\$9,773 <sup>j</sup>
<b>Wisconsin:</b> for students from low-income families in Milwaukee	18,882	<b>\$6,501</b>
<b>District of Columbia:</b> for students from low-income families	1,933	<b>\$7,500</b>

<sup>d</sup> The term “n/a” means that the data is not available. The program was not in effect in the 2007–08 school year. For the 2008–09 school year, as of Dec. 1, 2008, 726 scholarships were awarded.

<sup>e</sup> The term “n/a” means that the data is not available. The program was not in effect in the 2007–08 school year. For the 2008–09 school year, the first year of the program, the maximum scholarship amount is \$7,138.

<sup>f</sup> Amount is the 2007–08 tuition rate for secondary schools in Maine.

<sup>g</sup> Maximum amount for students K–12.

<sup>h</sup> Maximum amount is for high school; for elementary school, the amount is \$4,500.

<sup>i</sup> Data from the 2006–07 school year.

<sup>j</sup> This is the average secondary school scholarship for Vermont secondary schools. (The amounts for elementary school and grades 7–8 are different.)

Note: Data are for the 2007–08 school year, except as noted. Items bolded indicate the maximum scholarship amount.

For the purposes of this report, the term “states” includes the District of Columbia.

Sources: Officials and Web sites of state education agencies. See Acknowledgements (communication with state officials was via e-mail and telephone correspondence) and Appendix A.

As of the end of calendar year 2008, seven programs provided tax credits or tax deductions for *individuals* or *corporations* for contributions to scholarship organizations. See table 3.

**Table 3. Scholarship Organizations and Scholarships Awarded via Tax Credit or Tax Deduction Programs for Individual or Corporate Contributions to Scholarship Organizations, 2007–08 School Year**

State	Scholarship Organizations	Scholarships Awarded
<b>Arizona:</b> tax credits to <i>individuals</i>	55	27,153 <sup>k</sup>
<b>Arizona:</b> tax credits to <i>corporations</i>	18	1,947 <sup>l</sup>
<b>Florida:</b> tax credits to <i>corporations</i>	3	21,493
<b>Georgia:</b> tax credits	n/a <sup>m</sup>	n/a <sup>n</sup>
<b>Iowa:</b> tax credits to <i>individuals</i>	10	7,527
<b>Pennsylvania:</b> tax credits to <i>corporations</i>	329	48,803 <sup>o</sup>
<b>Rhode Island:</b> tax credits to <i>corporations</i>	3	282

<sup>k</sup> The data are from the 2007 calendar year. Individual Income Tax Credit for Donations to Private School Tuition Organizations: Reporting for 2007, Executive Summary, April 2008, page 3. Office of Economic Research and Analysis, Arizona Department of Revenue.

<sup>l</sup> The data are from the 2007 calendar year. Corporate Income Tax Credit for Contributions to School Tuition Organizations: Reporting for 2007, page 4. Office of Economic Research and Analysis, Arizona Department of Revenue.

<sup>m</sup> The term “n/a” means that the data is not available. Data do not exist for the 2006 taxable year because the Georgia tax credit (signed into law in 2008) was first implemented in the 2008 taxable year.

<sup>n</sup> The term “n/a” means that the data is not available. Data do not exist for the 2006 taxable year because the Georgia tax credit (signed into law in 2008) was first implemented in the 2008 taxable year.

<sup>o</sup> Data include pre-K students.

Sources: Officials and Web sites of state education and revenue agencies. See Acknowledgements (communication with state officials was via e-mail and telephone correspondence) and Appendix A.

As of the end of calendar year 2008, five programs provided tax credits or tax deductions for *parents* for education expenses. See table 4.

**Table 4. Number of Claiming Taxpayers (Parents) and Average Amount of Claim in Tax Credit or Tax Deduction Programs for Education Expenses, 2006 Taxable Year**

State	Claiming Taxpayers	Average Amount of Claim
<b>Illinois:</b> tax credits	224,431	\$303
<b>Iowa:</b> tax credits	191,600	\$79
<b>Louisiana:</b> tax deductions	n/a <sup>p</sup>	n/a <sup>q</sup>
<b>Minnesota:</b> tax credits	56,372	\$265
<b>Minnesota:</b> tax deductions	210,371	\$1,227

<sup>p</sup> The term “n/a” means that the data is not available. Data do not exist for the 2006 taxable year because the Louisiana tax deduction (signed into law in 2008) was first implemented in the 2008 taxable year.

<sup>q</sup> The term “n/a” means that the data is not available. Data do not exist for the 2006 taxable year because the Louisiana tax deduction (signed into law in 2008) was first implemented in the 2008 taxable year.

Note: Table 4 provides separate data for tax credits and tax deductions in Minnesota, but tax credits and tax deductions are treated as one tax program in this report.

Sources: Officials and Web sites of state education and revenue agencies. See Acknowledgements (communication with state officials was via e-mail and telephone correspondence) and Appendix A.

## Descriptions of State Programs

Following are individual summary descriptions, by state, of the respective state programs providing financial assistance for attendance at private elementary and secondary schools. When available, information is provided on the following topics: program type, name, description, amount of assistance, number of participants, authorizing statute, legislative history, judicial history, and sources for more information. The programs are numbered and listed in alphabetical order by state, but the number is not intended to suggest a hierarchy or ranking of the programs.

### 1. Arizona—Individual School Tuition Organization Tax Credit

**Program type:** *Tax credits for individuals for contributions to scholarship organizations*

**Description:** Individual taxpayers may receive Arizona income tax credits for charitable contributions to school tuition organizations (STOs). STOs provide scholarships for attendance at qualified private schools. The amount of credit is equal to the amount contributed. The maximum credit allowed to single taxpayers or heads of household is \$500. The maximum credit allowed to married couples for the 2006 taxable year and subsequent taxable years is \$1,000. There is no maximum aggregate amount of tax credits allowed in any year.

Student eligibility for scholarships is determined by STOs individually. Most STOs base eligibility on financial need, while others benefit students in specific areas or private school system. Schools enrolling scholarship students may not discriminate on the basis of race, color, disability, familial status, or national origin.

**Amount of assistance:** The scholarship amount is established by STOs individually.

**Number of participants:** During the 2007 calendar year, 27,153 students received scholarships from 55 STOs to attend 359 participating private schools.

**Authorizing statute:** *Arizona Revised Statutes §43-1089*

**Legislative history:** The Arizona tax credit program was signed into law in 1997 and first implemented in the 1998 taxable year. It was the first program of its kind in the United States. On May 20, 2005, Arizona increased the maximum tax credit available to married couples.

**Judicial history:** In January 1999, the Arizona Supreme Court upheld the constitutionality of the tax credit program in *Kotterman v. Killian*. In October 1999, the Supreme Court of the United States declined to review the case, thereby allowing the state ruling to stand. In February 2000, the Arizona Civil Liberties Union filed a second, separate challenge to the program in federal district court in *Winn v. Hibbs*. The district court dismissed the suit under the *Tax Injunction Act*, which forbids federal court tax suits if state court suits are possible. This dismissal was later overturned by the United

States Court of Appeals for the Ninth Circuit, whose ruling was affirmed by the Supreme Court of the United States in June 2004, returning the case to federal district court for trial. The case was subsequently dismissed in federal district court on March 24, 2005.

*For more information, see:* <http://www.azdor.gov/ResearchStats/Schooltaxcredit.htm>.

## **2. Arizona—Corporate School Tuition Organization Tax Credit**

**Program type:** *Tax credits for corporations for contributions to scholarship organizations*

**Description:** Corporations may receive a tax credit for contributing to a scholarship organization. The amount of credit is equal to the amount contributed. Under the state statute, the maximum aggregate amount of tax credits is \$10 million in 2007 and increases annually by 20 percent. Tax credits are awarded to corporations on a first-come, first-served basis.

STOs provide scholarships for attendance at qualified private schools in the state. To be eligible for one of these scholarships, the student's family income cannot exceed 185 percent of the income limit required for students to qualify for federal free or reduced-price lunch program. Additionally, the student must have attended a public school during the prior year or be entering kindergarten. In order to be a state-qualified school, schools may not discriminate on the basis of race, color, disability, familial status or national origin.

**Amount of assistance:** The maximum scholarship for K–8 students is \$4,300, and \$5,600 for students in grades 9–12. These limits are set to increase by \$100 each year.

**Number of participants:** In the 2007 calendar year, 1,947 scholarships were awarded by 18 scholarship organizations to attend 156 private schools.

**Authorizing statute:** *Arizona Revised Statutes §43-183*

**Legislative history:** On March 29, 2006, this program was signed into law, thereby creating a new tax credit program to corporations for contributions to scholarship organizations. The law originally established the annual aggregate amount of credits at \$5 million; the amount was increased to \$10 million by another bill signed into law later that legislative session.

**Judicial history:** On March 7, 2007, a Maricopa County Superior Court judge threw out the case against Arizona's corporate school tuition organization tax credit. In *Green v. Garriott*, the judge held that the tax credit did not violate the Arizona constitution, upholding the *Kotterman* (see page 7) decision made on the individual tax credit.

*For more information, see:* <http://www.revenue.state.az.us/ResearchStats/corporateprivateschoolmenu.htm>.

### **3. Arizona—Arizona Scholarships for Pupils with Disabilities Program**

*Program type:* Scholarships for students with disabilities

**Description:** This scholarship program provides students with disabilities with the option of attending another public school or receiving a scholarship for attendance at a qualified private school. Established in 2006, the program authorizes \$2.5 million for students with disabilities to use for tuition and fees or the actual cost per pupil, whichever is greater. To be eligible for the scholarship, a student must be determined to be an eligible student with a disability under the *Individuals with Disabilities Education Act (IDEA)*, must have been issued an Individualized Education Program (IEP), and must have attended a public school during the prior year. In order to be a state-qualified school, schools may not discriminate on the basis of race, color, disability, familial status, or national origin.

**Amount of assistance:** The amount of assistance is the school's tuition and fees or actual cost per pupil, whichever is greater, but may not exceed the amount of funding the student would have generated had he or she remained in a public school. For the 2007–08 school year, the average scholarship amount of assistance was \$8,238.

**Number of participants:** For the 2007–08 school year, 186 students received scholarships to attend 62 participating private schools.

**Authorizing statute:** *Arizona Revised Statutes* §§15-1891–18-891.06

**Legislative history:** On June 21, 2006, the Scholarships for Pupils with Disabilities Program was signed into law, creating a new statewide scholarship program for students with disabilities. The first year of implementation was the 2006–07 school year.

**Judicial history:** On June 13, 2007, the Maricopa County Superior Court judge ruled that the Scholarships for Pupils with Disabilities Program was constitutional and did not violate the state's constitution. In May 2008, the Arizona Court of Appeals reversed the Superior Court, holding that the program violated the state constitution's provision that "No tax shall be laid or appropriation of public money made in aid of any church, or private or sectarian school, or any public service corporation." On Dec. 9, 2008, the Arizona Supreme Court heard arguments in the case *Cain v. Horne* to determine the constitutionality of the program.

**For more information, see:** <http://www.azed.gov/ess/StateFedInitiatives/AZScholarship.asp>.

#### **4. Arizona—Displaced Pupils Choice Grant Program**

*Program type:* Scholarships for children in foster care

**Description:** These scholarships are available to any student who has been in the foster care system at any time before high school graduation. Students who have since been adopted will still qualify for the scholarship. Scholarships are on a first come, first served basis and can be used to pay tuition at any private school in the state of Arizona that chooses to participate. Participating schools may not discriminate on the basis of race, color, disability, familial status or national origin.

**Amount of assistance:** For the 2007–08 school year, the average scholarship amount was \$3,945.

**Number of participants:** In the 2007–08 school year, 189 students received scholarships.

**Authorizing statute:** Arizona Revised Statutes §§15-817–15-817.07

**Legislative history:** The Displaced Pupils Choice Grant Program was signed into law on June 21, 2006.

**Judicial history:** On June 13, 2007, the Maricopa County Superior Court judge ruled that the Displaced Pupil Choice Grant Program was constitutional and did not violate the state’s constitution. In May 2008, the Arizona Court of Appeals reversed the Superior Court, holding that the program violates the state constitution's provision that "No tax shall be laid or appropriation of public money made in aid of any church, or private or sectarian school, or any public service corporation." On Dec. 9, 2008, the Arizona Supreme Court heard arguments in the case *Cain v. Horne* to determine the constitutionality of the program.

*For more information, see:* <http://www.ade.az.gov/displacedpupilgrants>.

#### **5. Florida—Opportunity Scholarship Program<sup>1</sup>**

*Program type:* Scholarships for students in failing schools

**Description:** Created in 1999 under Florida’s A+ Education Plan, the Opportunity Scholarship Program provides scholarships to students who attend or are assigned to public schools considered failing under state law. A Florida public school is considered “failing” if it receives, in annual performance evaluations, a grade of F in any two of four consecutive years. Students may use scholarships for attendance at a participating private

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<sup>1</sup> The private school scholarship component of this program was terminated at the end of the 2005 –06 school year.

school or at a higher-performing public school (of grade C or better) within or adjacent to the student's district of residence. Participating schools must accept students on a religious-neutral basis, and may not require students to participate in religious activities.

**Amount of assistance:** To attend a participating private school, the annual scholarship amount is the local school district's per pupil operating cost or the receiving school's tuition and fees, whichever is less. For the 2005–06 school year, the average scholarship award was \$4,205. Participating private schools must accept the scholarship amount as full payment of tuition and fees.

**Number of participants:** In the 2005–06 school year, 734 students received scholarships to attend 57 participating private schools.<sup>2</sup> The 2005–06 school year was the last year that students were able to use the scholarships to attend private schools. See *Judicial history* for more information.

**Authorizing statute:** *Florida Statute* §1002.38

**Legislative history:** The program was signed into law in 1999.

**Judicial history:** On Jan. 5, 2006, in *Holmes v. Bush*, the Florida Supreme Court ruled to exclude the private school option from Florida's scholarship program on the grounds that it violates a constitutional requirement of the state to provide a uniform system of public schooling. The court's ruling took effect at the end of the 2005–06 school year. The ruling does not affect the program's public school option.

**For more information, see:** <http://www.floridaschoolchoice.org/Information/OSP>.

## **6. Florida—John M. McKay Scholarships for Students with Disabilities Program**

**Program type:** *Scholarships to students with disabilities*

**Description:** Named for former Florida Senate President John McKay, the John M. McKay Scholarships for Students with Disabilities Program provides scholarships to students who have attended a Florida public school and for whom an Individualized Education Program (IEP) has been written in accordance with rules of the state board of education. Students may use scholarships to attend a participating private school or may attend another public school within or adjacent to the student's district of residence.

**Amount of assistance:** To attend a participating private school, the annual scholarship amount is the estimated calculation of the amount the student would have generated in the assigned public school or the amount of the private school's tuition and fees,

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<sup>2</sup> Data are as reported in the Opportunity Scholarship Program, June 2006 quarterly report, by the Office of Independent Education and Parental Choice, Florida Department of Education.

whichever is less. For the 2007–08 school year, the average scholarship award was \$6,613.<sup>3</sup> Parents may provide tuition and fee funds in excess of the scholarship amount, if necessary.

**Number of participants:** During the 2007–08 school year, 19,852 students received scholarships to attend 846 participating private schools. During the 2008–09 school year, 17,904 students received scholarships to attend 839 participating private schools.<sup>4</sup>

**Authorizing statute:** *Florida Statute §1002.39*

**Legislative history:** The program was signed into law and implemented as a pilot in one county in 1999. It was expanded statewide, but with a cap for each school district, in 2000. The governing statute has been amended subsequently to strengthen the “parent-directed” intent of the program. In 2001, the law was amended to allow parents who believe their student is not progressing in his or her assigned public school to notify the local school district of their intent to participate in the program; previously, parents had to document that the student was not progressing in two areas in his or her IEP. A second 2001 amendment repealed the cap on the number of McKay scholarships available in each district.

**Judicial history:** No legal suits have been filed regarding the program.

**For more information, see:** <http://www.floridaschoolchoice.org/Information/McKay>.

## **7. Florida—Corporate Tax Credit Scholarships Program**

**Program type:** *Tax credits to corporations for contributions to scholarship organizations*

**Description:** Under the Corporate Tax Credit Scholarships Program, corporations may receive Florida tax credits for charitable contributions to nonprofit scholarship funding organizations (SFOs). The amount of credit is equal to the amount contributed and may not exceed 75 percent of tax due for the taxable year. Under the authorizing statute, beginning July 1, 2008 and thereafter, the total amount of tax credits that may be granted each state fiscal year is \$118 million. Tax credits are awarded to corporations on a first-come, first-served basis.

SFOs provide scholarships for attendance at a participating private school or for transportation to attend a public school outside a student’s district of residence. Participating private schools must be deemed compliant with state laws and regulations

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<sup>3</sup> Data are as reported in the John M. McKay Scholarships for Students with Disabilities Program, June 2008 quarterly report, by the Office of Independent Education and Parental Choice, Florida Department of Education.

<sup>4</sup> Data are as reported in the John M. McKay Scholarships for Students with Disabilities Program, September 2008 quarterly report, by the Office of Independent Education and Parental Choice, Florida Department of Education.

by the state. To be eligible, a student must qualify for free or reduced-price lunches under the National School Lunch Program and meet one of the following criteria: was counted as a full-time equivalent student during the previous state fiscal year for purposes of state per-student funding; received a scholarship from an eligible nonprofit scholarship-funding organization or from the state of Florida during the previous school year; is eligible to enter kindergarten or first grade; or is currently placed, or was placed during the previous state fiscal year in foster care. A student may continue in the scholarship program contingent on funds and as long as the student's household income level does not exceed 200 percent of the federal poverty level.

**Amount of assistance:** To attend a participating private school, SFOs provide annual scholarships of \$3,950 or the cost of tuition and fees, whichever is less.

**Number of participants:** In the 2007–08 school year, 21,493 students received scholarship from three SFOs to attend 933 participating private schools. In the 2008–09 school year, 20,810 students received scholarships from three SFOs to attend 937 participating private schools.<sup>5</sup>

**Authorizing statute:** *Florida Statute §220.187*

**Legislative history:** The tax credit program was signed into law on May 30, 2001. It was first implemented in the 2002 taxable year. A 2003 amendment to the authorizing statute raised the maximum aggregate amount of credits allowed from \$50 million to \$88 million. The maximum amount, or cap, was reduced to \$50 million for the 2004 and 2005 fiscal years by separate appropriations legislation. A budget measure for fiscal year 2006, signed into law on May 25, 2005, restored the cap to the statutory \$88 million amount. In 2008 the Florida legislature expanded the program to \$118 million for the 2008–09 fiscal year.

**Judicial history:** No legal suits have been filed regarding the program.

**For more information, see:** <http://www.floridaschoolchoice.org/Information/CTC>.

## **8. Georgia—Georgia Special Needs Scholarship Program**

**Program type:** *Scholarships to students with disabilities*

**Description:** This program provides scholarships to students with disabilities. To be eligible for this scholarship, a student must have spent a prior year in attendance at a Georgia public school, be determined under *IDEA* as an eligible student with a disability, and shall have had an Individualized Education Program (IEP) written by the school in accordance with federal and state laws and regulations. Parents disappointed with their

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<sup>5</sup> Data are as reported in the Corporate Tax Credit Scholarship Program, September 2008 quarterly report, by the Office of Independent Education and Parental Choice, Florida Department of Education.

children's current public school's program will have the option to send their children to a private or public school that best meets the needs of their children. Parents may choose to keep their children in their new school until they graduate or they turn 21, whichever comes first. Parents are responsible for transporting their children to the new school.

**Amount of assistance:** The student receives a scholarship for the same amount their public school received for them, or the cost of tuition and fees, whichever is less.

**Number of participants:** In the 2007–08 school year, 115 private schools enrolled 908 scholarship students.<sup>6</sup>

**Authorizing statute:** *Georgia Code:* Title 20, Chapter 2, Article 33

**Legislative history:** On May 18, 2007, the *Georgia Special Needs Scholarship Act* was signed into law, making this the first scholarship program in Georgia.

**Judicial history:** No legal suits have been filed regarding the program.

**For more information, see:** <http://public.doe.k12.ga.us/sb10.aspx>.

## **9. Georgia—Georgia Tax Credit for Private School Costs and Scholarship Donations**

**Program type:** *Tax credits for contributions to scholarship organizations*

**Description:** This program allows eligible citizens and corporations to receive tax credits for their donations to Georgia Student Scholarship Organizations (SSOs). SSOs provide student scholarships to parents that help cover the cost of their children's attendance at qualified private schools in the state of Georgia. Eligible SSOs must be charitable organizations exempt from federal income taxation under Sec. 501(c)(3) of the *Internal Revenue Code*, and must allocate at least 90 percent of their annual revenue for scholarships or tuition grants to allow students to attend the qualified private school of their parents' choice. Private schools are considered qualified if they meet the following criteria: accredited by a state-approved accreditation agency; physically located in Georgia; adhere to provisions of the *Federal Civil Rights Act of 1964*; and satisfy the private school requirements prescribed in Georgia state law.

**Amount of assistance:** The amount of the tax credit for a single individual or a head of household is the actual amount expended or \$1,000 per tax year, whichever is less. The amount of the tax credit for a married couple filing a joint tax return is the actual amount expended or \$2,500 per tax year, whichever is less. The amount of the tax credit for corporations is the actual amount expended or 75 percent of the corporation's total

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<sup>6</sup> Data are reported in the *2007–2008 Georgia Special Needs Scholarship (GSNS) Summer Information*, November 2007, by the Georgia Department of Education.

income tax liability, whichever is less. Tax credits are awarded on a first-come, first-served basis and the aggregate amount of tax credits may not exceed \$50 million per tax year.

**Number of participants:** This is a new program that began with the 2008 taxable year that started Jan. 1, 2008. Data are not yet available on the numbers of participating students and SSOs in the 2007–08 or 2008–09 school years.

**Authorizing statute:** *Georgia Code*: Title 20, Chapter 2A and *Georgia Code*: Title 48, Chapter 7, Article 29.16

**Legislative history:** The tax credit program was signed into law in 2008 and first implemented in the 2008 taxable year.

**Judicial history:** No legal suits have been filed regarding the program.

**For more information, see:**

[http://public.doe.k12.ga.us/pea\\_policy.aspx?PageReq=PEAHB1133](http://public.doe.k12.ga.us/pea_policy.aspx?PageReq=PEAHB1133).

## 10. Illinois—Education Expenses Credit

**Program type:** *Tax credits to parents for education expenses*

**Description:** Parents of students in qualified schools may receive Illinois tax credits for qualified education expenses. Qualified expenses are the amounts paid in excess of \$250 for tuition, book fees, and lab fees. A qualified school is any public, private, or home school in Illinois that satisfies the compulsory school age requirements as described in §26-1 of the *Illinois School Code*.

**Amount of assistance:** The amount of credit allowed is 25 percent of the amount expended in excess of \$250 and may not exceed \$500 annually. (To reach the \$500 credit maximum, education expenses must be at least \$2,250.)

**Number of participants:** In the 2007 taxable year, 238,119 taxpayers claimed credits worth an average of \$295.

**Authorizing statute:** *35 Illinois Compiled Statutes 5/201*

**Legislative history:** The tax credit program was signed into law in 1999 and first implemented in the 2000 taxable year.

**Judicial history:** In December 1999, an Illinois circuit court (for Franklin County) dismissed a lawsuit challenging the constitutionality of the program (*Griffith v. Bower*). In April 2000, another Illinois circuit court (for Sangamon County) dismissed a second, similar suit (*Toney v. Bower*). The Illinois Supreme Court declined to review either case, allowing appellate affirmations of the circuit court rulings to stand.

*For more information, see:*

<http://www.revenue.state.il.us/Individuals/CreditsDeductions/educationexpensecredit.htm>.

## **11. Iowa—Education Tax Credits**

*Program type:* Tax credits to parents for education-related expenses

**Description:** Parents of students in qualified schools may receive Iowa tax credits for tuition and textbook expenses. Under this program, “tuition” includes any expenses relating to the teaching of subjects commonly taught in Iowa public schools, and “textbooks” includes all books and instructional materials used in the teaching of such subjects, and also fees, books, and materials for extracurricular activities. Expenses related to the teaching of religious tenets, doctrine, and worship do not qualify for a credit. A qualified school is any public or nonprofit private school in Iowa that is accredited in accordance with Iowa law (*Iowa Code* §256.11).

**Amount of assistance:** The amount of credit allowed is 25 percent of the amount expended up to \$1,000 per dependent (i.e., up to \$250 per student).

**Number of participants:** In the 2006 taxable year, 191,600 taxpayers claimed credits worth an average of \$79.

**Authorizing statute:** *Iowa Code* §422.12

**Legislative history:** The tax credit program was signed into law in 1987 and initially allowed a 5 percent credit only to families with incomes under \$40,000. In 1996, the credit was raised to 10 percent and the household income limitation was removed. In 1998, the credit percentage was raised to its current level of 25 percent, and there is no longer an income limit on eligibility.

**Judicial history:** In 1992, a federal district court found that the Iowa tax credit was constitutional in *Luthens v. Blair*. A group of Iowa taxpayers brought suit in federal district court claiming that the income tax law violated the Establishment Clause of the First Amendment of the U.S. Constitution that prohibits Congress and the states, through the Fourteenth Amendment, from making laws establishing religion. In *Luthens v. Blair* the court determined the case was substantially similar to *Mueller v. Allen*, in which the U.S. Supreme Court found in 1983 that Minnesota’s education tax deduction statute did not violate the Establishment Clause of the First Amendment.

*For more information, see:* <http://www.state.ia.us/tax/1040EI/Line/07Line48.html>.

## **12. Iowa—School Tuition Organization Tax Credit**

*Program type:* Tax credits for contributions to scholarship organizations

*Description:* Taxpayers that voluntarily contribute to qualified “school tuition organizations” (STOs) are eligible to receive an individual income tax credit. The amount of income tax credit is 65 percent of the value of the contribution. The statewide aggregate amount of tax credit allowed is \$2.5 million in 2006–07, \$5 million in 2007–08, and \$7.5 million in 2008 and beyond.

A qualified STO must be a private nonprofit organization that supports private school scholarships. Students may be eligible for these scholarships if their family’s annual income does not exceed an amount equal to three times the most recently published federal poverty guidelines. Contributing taxpayers may not identify particular students as scholarship recipients. Participating schools must be state accredited and comply with federal and state civil rights laws.

*Amount of assistance:* The scholarship amount is established by the STOs individually.

*Number of participants:* For the 2007–08 school year, 10 scholarship organizations awarded 7,257 scholarships to students attending private schools.

*Authorizing statute:* Iowa Code §422.11S

*Legislative history:* On June 2, 2006, the school tuition organization tax credit was signed into law, creating a new tax credit program to individuals for contributions to scholarship organizations. The program took effect retroactively on Jan. 1, 2006.

*Judicial history:* No legal suits have been filed regarding the program.

*For more information, see:* <http://www.state.ia.us/tax/1040EI/Line/07Line53.html>.

## **13. Louisiana—Student Scholarships for Educational Excellence Program**

*Program type:* Scholarships for low-income students in New Orleans

*Description:* The Student Scholarships for Excellence Program provides scholarships for low-income eligible students in grades K–3 to attend participating private or public schools in New Orleans. Students must apply to be accepted into the program. Beginning in the 2009–10 school year, for new students, one additional grade level of eligibility will be added to the program each year (fourth grade in 2009–10, fifth grade in

2010–11, etc.). To be eligible, a student must reside in Orleans Parish (New Orleans<sup>7</sup>); be a member of a family with a total income that does not exceed 250 percent of the current federal poverty guidelines; be an entering student in kindergarten, first, second, or third grade; and (except for students entering kindergarten for the first time) have been enrolled in a public school that meets certain criteria.

All participating schools must have an open admissions process for enrolling scholarship recipients; select scholarship recipients using a random selection process in the event that there are more scholarship recipients applying than seats available; submit to the Louisiana Department of Education an independent financial audit of the school; accept the scholarship amounts provided to scholarship recipients as full payment of all education costs, including incidental or supplementary fees; and ensure that scholarship recipients take all academic tests in the grades and subjects required under state law.

**Amount of assistance:** The scholarship amount is equivalent to 90 percent of the per pupil amount the Orleans Parish (New Orleans) receives from combined state and local sources or the maximum amount of tuition plus incidental or supplementary fees that are charged to non-scholarship students enrolled in the participating school and any costs incurred in administering the tests required pursuant to *Louisiana Revised Statute* 17:4023, whichever is less. The maximum amount of assistance for the 2008–09 school year is \$7,138. If the student enrolls in a participating school that does not charge tuition, the amount of the scholarship shall be equivalent to 90 percent of the per pupil amount the covered district receives from combined state and local sources or the participating school's actual cost of educating a student plus any costs incurred in administering the tests required pursuant to *Louisiana Revised Statute* 17:4023, whichever is less. If the scholarship recipient is eligible to receive special education and related services under *IDEA*, an amount equivalent to special education funding provided to the Orleans Parish for such a student from federal sources will be added to the total scholarship amount. The Student Scholarships for Excellence Program is funded through appropriations from the legislature from the state's general fund. In fiscal year 2008–09, the program was appropriated \$10 million.

**Number of participants:** For the 2008–09 school year, as of Dec. 1, 2008, 635 scholarships were awarded for students to attend 30 participating schools.<sup>8</sup>

**Authorizing statute:** *Louisiana Revised Statutes* §§R.S. 17:4011–17:4025

**Legislative history:** The Student Scholarships for Educational Excellence Program was signed into law in June 2008. The program began in the 2008–09 school year.

**Judicial history:** No legal suits have been filed regarding this program.

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<sup>7</sup> The law authorizes the program within a “covered district,” but only Orleans Parish (New Orleans) qualifies as a “covered district.”

<sup>8</sup> As of Dec. 1, 2008, 726 students were awarded scholarships, 635 students were attending 30 private schools and the remaining 89 awards were pending student enrollment.

*For more information, see:* <http://www.doe.state.la.us/lde/comm/2699.html>.

## **14. Louisiana—Elementary and Secondary School Tuition Deduction**

*Program type:* Tax deduction to individuals for qualified education expenses

*Description:* Louisiana law allows for a deduction for the sum of amounts paid or incurred during the taxable year by a taxpayer to a public elementary or secondary school for a student's participation in curricular and core classes or expenses for the purchase of school uniforms; to a qualified private elementary or secondary school; or for qualified education expenses associated with home schooling.

*Amount of assistance:* The deduction shall equal 50 percent of the actual amount of tuition and fees paid by the taxpayer per student or \$5,000 per student, whichever is less. If the deduction is claimed for a foster child, the deduction shall equal the actual amount of tuition and fees paid by the taxpayer per foster child. The amount of the deduction shall not exceed the total taxable income of the individual.

*Number of participants:* This is a new program that began with the 2008 taxable year, effective March 24, 2008. Data are not yet available on the numbers of authorized deductions.

*Authorizing statute:* Louisiana Revised Statutes §§R.S. 47:297.10–47:297.12

*Legislative history:* The elementary and secondary school tuition deduction was signed into law on March 24, 2008.

*Judicial history:* No legal suits have been filed regarding this program.

*For more information, see:* <http://www.legis.state.la.us/lss/lss.asp?doc=473661>.

## **15. Maine—Town Tuitioning**

*Program type:* Scholarship-like tuition assistance for students in small towns and rural areas

*Description:* Maine school districts that have no available public schooling—normally, districts in small towns and rural areas—pay to send students to approved private schools or to public schools in other districts. Private schools that receive students under the town tuitioning program must meet basic approval requirements, be nonsectarian, and be incorporated under Maine or federal law. Schools that enroll 60 percent or more of their students via the tuition assistance program are subject to the statewide assessment program to evaluate student academic achievement. To be eligible to attend a receiving private school, students must be from a family residing in a sending district and gain admission to the school based on its customary admissions criteria.

**Amount of assistance:** For students attending approved private elementary schools, the maximum tuition payment by a sending district is the state average cost per public school student (the “tuition rate”). For students attending approved private secondary schools, the maximum tuition payment is the lesser of the state average cost per public school student or the per-student cost of the private school (the “tuition rate”), plus a specified insured value factor amount for private schools located in Maine. For the 2007–08 school year, the maximum tuition rate for students attending private elementary schools was \$6,450; for students in private secondary schools, the maximum tuition rate was \$8,039.

**Number of participants:** As of Oct. 1, 2007, 14,012 students received tuition assistance to attend a private elementary or secondary school for the 2007–08 school year.

**Authorizing statutes:** 20-A Maine Revised Statutes §§2951–2955; 20-A Maine Revised Statutes §5204; 20-A Maine Revised Statutes §5801; 20-A Maine Revised Statutes §5806

**Legislative history:** The tuition assistance program predates Maine statehood and began operation at a time when responsibility for secondary education in Maine was assumed primarily by private schools known as “town academies.” The tuitioning program was first codified under Maine’s *Free High School Act of 1873*, which allowed towns that opted not to build public secondary schools to pay tuition for students’ continued attendance at the academies. In 1909, a more expansive law was signed into law requiring such towns to pay tuition for students’ attendance at approved private schools. In 1981, the Maine state legislature decided to exclude religious schools from participation in the program.

**Judicial history:** In April 1999, the Maine Supreme Court found the program’s exclusion of religious schools to be in keeping with the Establishment Clause of the First Amendment in *Bagley v. Raymond School Department*. In May 1999, the United States Court of Appeals for the First Circuit reached a similar decision in a separate case, *Strout v. Albanese*. In October 1999, the U.S. Supreme Court opted not to review either decision. On April 26, 2006, the Maine Supreme Court ruled again to uphold the exclusion of religious schools from participation in the program, in *Anderson v. Town of Durham*. On Nov. 27, 2006, the U.S. Supreme Court declined to review *Anderson v. Town of Durham* case, therefore letting stand the lower court decision allowing the exclusion of religious schools.

**For more information, see:**

<http://janus.state.me.us/legis/statutes/20-a/title20-Ach117sec0.html>.

## 16. Minnesota—K–12 Education Credit and Subtraction<sup>9</sup> Programs

**Program type:** *Tax credits and tax deductions to parents for education expenses*

**Description:** The Minnesota K–12 Education Credit and Subtraction program provides financial assistance to parents of qualifying students. To qualify, a student must attend a public, private, or home school. Minnesota allows tax credits to parents of qualifying students for qualified expenses including: tutoring by qualified instructors, fees for qualified after-school programs, tuition for qualified summer camps, music lessons by qualified instructors, qualified nonreligious books and materials, purchase or rental of musical instruments for use in regular school music classes, qualified transportation costs, and up to \$200 in computer-related expenses. Minnesota allows subtraction of taxable income (tax deductions) to parents of qualifying students for qualified expenses, which include those covered under the credit program, and also private school tuition and tuition for college courses used to satisfy high school graduation requirements. The subtractions may be used for expenses otherwise covered by the credit program but not in excess of the allowable amounts of credit described below. The same expenses may not be used to claim both a credit and a subtraction.

**Amount of assistance:** The amount of credit allowed is 75 percent of the amount expended. For families with incomes of \$33,500 or less the maximum credit amount is \$1,000 per qualifying student. For families with incomes above \$33,500, the maximum credit amount is ratably reduced based on the number of students for whom a credit is claimed. For families with one qualifying student, the credit is reduced by \$1 for each \$4 of income over \$33,500, meaning that the credit fully phases out for an income of \$37,500. For families with two or more qualifying students, the credit is reduced by \$2 for each \$4 of income over \$33,500, meaning that the credit fully phases out for an income of \$37,500 for families with two students, and extends by an additional \$2,000 of income for each additional student for whom a credit is claimed.

The maximum subtraction amount is \$1,625 per student in grades K–6, and \$2,500 per student in grades 7–12. No income restrictions apply to the subtraction program.

**Number of participants:** In the 2006 taxable year, 56,372 taxpayers claimed credits worth an average of \$265, and 210,371 taxpayers claimed subtractions worth an average of \$1,227.

**Authorizing statutes:**

Tax Credits: *Minnesota Statute* §290.0674

Subtractions (Tax Deductions): *Minnesota Statute* §290.01

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<sup>9</sup> The Minnesota Department of Revenue uses the term “subtraction” rather than the term “deduction.”

**Legislative history:** Minnesota signed into law the tax subtraction program in 1955, with amendment in 1997. The tax credit program was signed into law in 1997 and first implemented for the 1998 taxable year. On July 13, 2005, the tax credit was expanded by removing a \$2,000 per family limit of credit and instituting the credit phaseout, described above, see page 21. Previously, no tax credits were available to families with incomes of \$37,500 or more, irrespective of the number of students for whom a credit was claimed.

**Judicial history:** In 1983, the U.S. Supreme Court upheld the constitutionality of the subtraction program in *Mueller v. Allen*.

**For more information, see:**

[http://www.taxes.state.mn.us/taxes/individ/other\\_supporting\\_content/inctaxfs8.shtml#P18\\_2189](http://www.taxes.state.mn.us/taxes/individ/other_supporting_content/inctaxfs8.shtml#P18_2189).

## 17. Ohio—Cleveland Scholarship and Tutoring Program

**Program type:** *Scholarships (and tutorial grants) for students in Cleveland*

**Description:** The Cleveland Scholarship and Tutoring Program provides scholarships to students in the Cleveland Metropolitan School District (CMSD). The scholarships are for attendance at a qualified private school within the district or at a public school in any district surrounding Cleveland.<sup>10</sup> Students in grades K–8 are eligible to apply for scholarships. Scholarship recipients may retain their scholarships through grade 12. If the number of new scholarships in any year is less than the number of eligible applicants, selection of recipients follows a lottery method. Students from low-income families have priority in receiving new scholarships.

Participating private schools may not discriminate on the basis of race, religion, or ethnic background, and may not promote unlawful behavior or teach hatred.

**Amount of assistance:** To attend a participating private school, the annual scholarship amount is based on the tuition of the school and the family income level of the recipient. Currently, the scholarship amount may not exceed the approved private school's tuition or \$3,450 for students in grades K–12; whichever is less.

For recipients whose family income level is below 200 percent of the federal poverty level, the actual scholarship award is 90 percent of (up to) the maximum amount (i.e., a student from such a family and currently in grade 8 may receive a scholarship award of at most \$3,105). For recipients whose family income is at or above 200 percent of the poverty level, the scholarship is 75 percent of (up to) the maximum amount. Remaining tuition costs are to be covered by parents; however, for recipients in grades K–8 whose family income level is below 200 percent of the federal poverty level, participating

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<sup>10</sup> The Cleveland Scholarship and Tutoring Program also allows students in CMSD public schools to obtain grants for tutoring services by approved providers. The number of grants for tutoring services issued in any year is intended to equal the number of scholarships for attendance at private schools also issued in that year.

schools must not charge any tuition in excess of the remaining 10 percent of the amount, whatever that amount may be.

**Number of participants:** In the 2006–07 school year, 6,116 students received scholarships to attend 45 participating private schools.

**Authorizing statutes:** *Ohio Revised Code Annotated* 3313.97.4–3313.99

**Legislative history:** The program was signed into law in 1995 and first implemented in the 1996–97 school year. On July 1, 2003, the state legislature amended the program to allow recipients to retain their scholarships through grade 10 as of the 2004–05 academic year, and also raised the maximum scholarship amount from \$2,500 to \$3,000. In June of 2005, the legislature expanded the grade range of students to whom new scholarships are available from grades K–3 to K–8; it also allowed scholarship recipients to retain their scholarships through grade 12 during the 2006–07 school year and raised the maximum scholarship amount available to all recipients, regardless of grade, to \$3,450 for the 2006–07 and subsequent school years.

**Judicial history:** In May 1999, the Supreme Court of Ohio upheld the constitutionality of the Cleveland program, but also found that it had been improperly passed by the Ohio legislature, in *Simmons-Harris v. Goff*. In June 1999, the legislature amended and expanded the program. In a separate lawsuit in December 1999, a U.S. district court found the program to violate the First Amendment (*Zelman v. Simmons-Harris*). In December 2000, the U.S. Court of Appeals for the Sixth Circuit affirmed the district court decision. On June 27, 2002, the U.S. Supreme Court overturned the appellate court decision, thereby affirming the program’s constitutionality.

**For more information, see:**

<http://www.ode.state.oh.us/GD/Templates/Pages/ODE/ODEDetail.aspx?page=3&TopicRelationID=93&ContentID=5638&Content=26480>.

## **18. Ohio—Autism Scholarship Program**

**Program type:** *Scholarships for students with autism*

**Description:** Students who have been identified with autism through their local education agency are eligible for scholarships to receive special education from registered providers, including private schools, or alternative public providers, including schools in another district and other public entities. To be eligible for this scholarship, a student must have been enrolled in, or be eligible to enroll in, a school in their assigned district; determined under *IDEA* to be an eligible student with a disability; and have an Individual Education Program (IEP) developed by the school district. Registered private providers must, among other requirements, implement students’ IEPs as written.

**Amount of assistance:** The scholarships are capped at \$20,000 per student. The scholarship may cover transportation costs if transportation is listed on the student’s IEP as a related service. For the 2007–08 school year, the average scholarship was \$15,500.

**Number of participants:** In the 2007–08 school year, 1,005 students used scholarships to receive services from 190 private providers.

**Authorizing statute:** *Ohio Revised Code Annotated 3310.41*

**Legislative history:** In 2003, the Ohio legislature passed the autism scholarship program as part of a larger bill.

**Judicial history:** No legal suits have been filed regarding the program.

**For more information, see:**

<http://www.ode.state.oh.us/GD/Templates/Pages/ODE/ODEDetail.aspx?page=3&TopicRelationID=972&ContentID=6678&Content=49386>.

## **19. Ohio—Educational Choice Scholarship Pilot Program (EdChoice)**

**Program type:** *Scholarships for students who attend low-performing schools*

**Description:** Students who attend or will be entering Ohio public schools that have been designated by the state as under “Academic Watch” or “Academic Emergency” (the two lowest ratings on the state’s accountability system) for two of the last three years are eligible to receive scholarships to attend a participating private school of their choice. Students currently enrolled in charter schools but who otherwise would be assigned to schools in these categories are also eligible. Students in the Cleveland Metropolitan School District are not eligible to participate, as the state offers a separate scholarship program for these students (see above, page 22). Scholarships are not available to students currently enrolled in a private non-public school or who are home schooled.

Eligible students must first be accepted at a participating private school for the next school year before applying for an EdChoice scholarship. There is a statewide cap of 14,000 EdChoice scholarships; if in any year there are more than 14,000 applications priority is first given to students renewing, and then to students whose household income is at or below 200 percent of the federal poverty level.

**Amount of assistance:** The EdChoice scholarship amount is currently set at \$4,500 for elementary school students (grades K–8) and \$5,300 for high school students or the private school’s tuition amount, whichever is lower. The scholarship amount will increase slightly each year.

**Number of participants:** In the 2007–08 school year, 7,144 students received scholarships to attend 319 private schools throughout the state.

**Authorizing statute:** *Ohio Revised Code Annotated §§3310.01–3310.17*

**Legislative history:** On June 30, 2005, the Educational Choice Scholarship Pilot Program was signed into law as part of an omnibus education bill. On March 30, 2006, a new omnibus education bill was passed that expanded eligibility for scholarships under the program to students in schools in academic emergency or academic watch for the three previous years; the previous law limited eligibility to students only in schools in academic emergency, the lowest category in the school rating system. On March 30, 2007, eligibility for scholarships was further extended to students in schools in these categories for two of the previous three years.

**Judicial history:** No legal suits have been filed regarding the program.

**For more information, see:**

<http://www.ode.state.oh.us/GD/Templates/Pages/ODE/ODEDetail.aspx?page=3&TopicRelationID=92&ContentID=9341&Content=26688>.

## **20. Pennsylvania—Educational Improvement Tax Credit Program**

**Program type:** *Tax credits for corporations for contributions to scholarship organizations*

**Description:** Under the Educational Improvement Tax Credit Program (EITC), corporations may receive Pennsylvania tax credits for charitable contributions to scholarship organizations (SOs) or to educational improvement organizations (EIOs). The amount of credit is equal to 75 percent of the amount contributed and may not exceed \$300,000 in any year. If a corporation pledges the same contribution for two consecutive tax years, the amount of credit rises to 90 percent of the amount contributed (with the same annual limit). The maximum aggregate amount of tax credits allowed in any year is \$67 million, two-thirds of which (\$44.67 million) must credit contributions to SOs. Tax credits are awarded to corporations on a first-come, first-served basis.

SOs provide scholarships for attendance at a private school or at a public school outside a student's district of residence; EIOs provide grants to public schools for innovative education programs. SOs award scholarships according to a household income limit of \$50,000, plus an allowance of \$10,000 for each dependent member.

**Amount of assistance:** SOs establish scholarship amounts individually. To attend a private school, the annual amount may not exceed the tuition customarily charged by the school. Effective Dec. 1, 2005, and thereafter each September, SOs are required to report annually on the total and average scholarship amounts awarded to elementary and secondary school students.

**Number of participants:** In the 2007–08 school year, 48,803 students in grades pre–K through 12 received scholarships from 329 SOs (and prekindergarten scholarship

organizations) to attend private schools. SOs are required to report annually on the number of scholarships awarded to pre-K, elementary, and secondary school students.

**Authorizing statute:** 24 *Pennsylvania Statutes* §§20-2001-B–20-2008-B

**Legislative history:** The program was signed into law in May of 2001 and was first implemented in 2001, and was expanded in 2003, in 2005, and in 2007. In 2005, the law was changed to increase the cap on the aggregate amount of credits allowed from \$40 million to the current amount of \$44 million, and the reporting requirements on SOs were signed into law. In 2007, the law was changed to increase the cap on the aggregate amount of credits from \$44 million to \$67 million. In 2008, the law was amended to increase the maximum individual credit amount from \$200,000 to \$300,000 and enable participating businesses to pass the credit on to their shareholders or partners for use on their personal income taxes.

**Judicial history:** No legal suits have been filed regarding the program.

**For more information, see:** <http://www.newpa.com/find-and-apply-for-funding/funding-and-program-finder/funding-detail/index.aspx?progId=62>.

## **21. Rhode Island—Tax Credits for Contributions to Scholarship Organizations**

**Program type:** *Tax credits for business entities for contributions to scholarship organizations*

**Description:** The Rhode Island Business Entity Scholarship Tax Credit Program provides tax credits to business entities that contribute to Scholarship Granting Organizations (SGOs). Business entities receive a credit valued at 75 percent of the contributions made or 90 percent if the second-year donation is worth at least 80 percent of the first year's donation, with a maximum credit of \$100,000. The state has capped the amount of credits available at \$1 million. In order for students to be eligible for these corporate scholarships they must be from families whose income does not exceed 250 percent of the federal poverty level.

**Amount of assistance:** SGOs establish scholarship amounts individually. For the 2007–08 school year, the average amount of assistance was \$3,757.

**Number of participants:** In the 2007–08 school year, 282 students in grades K–12 received scholarships from three SGOs to attend 30 private schools.

**Authorizing statute:** *State of Rhode Island General Law* Chapter 44–62

**Legislative history:** The Rhode Island Business Entity Scholarship Tax Credit Program was signed into law on June 30, 2006. The program began on Jan. 1, 2007.

**Judicial history:** No legal suits have been filed regarding the program.

**For more information, see:** <http://www.tax.state.ri.us/Credits/index.php> and [www.rischolarshipalliance.org](http://www.rischolarshipalliance.org).

## **22. Utah—Carson Smith Scholarships for Students with Special Needs Program**

**Program type:** *Scholarships for students with disabilities*

**Description:** The Carson Smith Scholarships for Students with Special Needs Program provides scholarships for attendance at approved private schools to students with qualifying disabilities. To be eligible, a student must have been enrolled in Utah public schools and have a current Individual Education Program (IEP), or have been admitted to an approved private school specializing in serving students with disabilities, and receive an assessment determining that the student qualifies for special education.

The scholarship is awarded for a term of three years and may be renewed. The amount of the scholarship is dependant upon the extent to which a student's disability results in a need for special education services. The special needs scholarship program is funded by annual appropriations by the Utah legislature. Scholarships are not guaranteed but are subject to the availability of funds, with priority given to existing scholarships.

**Amount of assistance:** The scholarship amount is the lesser of the tuition and fees charged by the participating private school or \$6,442 for students who would have otherwise received more than 180 minutes of special education services per day in a public school, or \$3,865 for students who would receive less than 180 minutes of special education services. In 2007–08, the maximum annual scholarship award was \$6,285, and the average scholarship amount was \$4,449.

**Number of participants:** In the 2007–08 school year, 545 students received scholarships to attend 39 approved private schools.

**Authorizing statute:** *Utah Code Annotated §§53A-1a-701–53A-1a-710*

**Legislative history:** On March 10, 2005, this program was signed into law and then amended on March 15, 2006. With respect to students already attending a private school, the March 2006 amendment extended eligibility to students to receive scholarships in a school that *has formerly served* students with disabilities; previously, eligibility was restricted to students in private schools that *specialize in serving* such students. It also required that public schools notify parents of the availability of scholarships under this program.

**Judicial history:** No legal suits have been filed regarding the program.

**For more information, see:** <http://www.schools.utah.gov/admin/specialneeds.htm>.

## **23. Utah—The *Parent Choice in Education Act*<sup>11</sup>**

**Program type:** *Scholarships for students*

**Description:** The *Parent Choice in Education Act* authorized scholarships for every family in Utah to use to attend the private school of their choice, with students from the lowest-income families receiving the largest scholarships.

**Amount of assistance:** Scholarships were to be between \$500 and \$3,000 based on a family's income in the preceding year, the number of members in the family, and students' eligibility for the free and reduced-price-lunch program.

**Authorizing statute:** *Utah Code Annotated §§53A-1a-802–53A-1a-811*

**Legislative history:** On Feb. 12, 2007, the *Parent Choice in Education Act* was signed into law. A second bill amending the legislation was signed into law on March 13, 2007.

**Challenge to the law:** After this bill and amendment were signed into law, groups opposed to this program gathered sufficient signatures to require a statewide referendum to recall or retain the law authorizing the scholarship program. This law was voted down in a referendum held in November 2007.

**Judicial history:** No legal suits have been filed regarding the program.

## **24. Vermont—Town Tuitioning**

**Program type:** *Scholarship-like tuition assistance for students in small towns and rural areas*

**Description:** Vermont school districts that have no available public schooling—normally, districts in small towns and rural areas—pay to send students to approved private schools or to public schools in other districts. Vermont school districts that operate schools with spaces available to such students also may send students to other public or private schools if petitioned to do so by parents. In general, local school districts determine both the availability and range of choice of schools. Private schools that receive students under the “town tuitioning” program must meet basic approval requirements and be nonsectarian. To be eligible to attend a receiving private school, students must be from a family residing in a sending district and gain admission to the school based on its customary admissions criteria.

**Amount of assistance:** For students attending approved private schools, sending districts pay the average tuition of Vermont schools or the tuition charged by the private school,

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<sup>11</sup> This program was not implemented as it was voted down in a state referendum in November 2007.

whichever is less. For the 2006–07 school year,<sup>12</sup> the average tuition for Vermont elementary schools was \$8,430; the average tuition of Vermont secondary schools was \$9,645 for grades 7–8; and \$9,773 for grades 9–12. Sending districts may pay an amount higher than the average tuition if approved to do so by the local electorate.

**Number of participants:** In the 2006–07 school year,<sup>13</sup> 2,459 students received tuition assistance.

**Authorizing statutes:** 16 Vermont Statutes Annotated §166, 16 Vermont Statutes Annotated §§821–833

**Legislative history:** The tuition assistance program was signed into law in 1869. The 1869 law allowed for tuition support of students to attend private secondary schools (as well as public elementary and secondary schools). In 1990, the program was expanded to include tuition support of students to attend private elementary schools.

**Judicial history:** In 1961, participation by religious schools was ruled unconstitutional. In 1994, the Vermont Supreme Court ruled to re-allow participation of religious schools in *Campbell v. Manchester Board of School Directors*. In 1999, the same court rescinded this ruling in *Chittenden Town School District v. Vermont Department of Education*. On Dec. 13, 1999, the U.S. Supreme Court declined to hear an appeal.

**For more information, see:**

<http://www.leg.state.vt.us/statutes/sections.cfm?Title=16&Chapter=021>

## 25. Wisconsin—Milwaukee Parental Choice Program

**Program type:** *Scholarships for students from low-income families in Milwaukee*

**Description:** The Milwaukee Parental Choice Program (MPCP) provides state aid payments to students for attendance at participating private schools in Milwaukee. To be eligible, students must be from families who reside in Milwaukee and whose household income does not exceed 175 percent of the federal poverty level. A student participating in the program, and whose family income increases, may remain in the program until the family’s income exceeds 220 percent of the federal poverty level. The maximum participation is 22,500 students.

Applications for scholarships are submitted directly to participating schools. If a participating school receives more applications in any year than it has seats available, selection of recipients follows a lottery method. Siblings of current scholarship recipients have priority in receiving new scholarships.

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<sup>12</sup> The 2006–07 school year is the most recent school year for which data are available.

<sup>13</sup> The 2006–07 school year is the most recent school year for which data are available.

With respect to participating private schools, the law requires schools to be accredited from among a list of accrediting agencies and to administer nationally normed standardized tests to scholarship recipients in grades 4, 8, and 10. Participating schools may not require a recipient to participate in religious activities.

**Amount of assistance:** For the 2007–08 school year, the scholarship amount is the participating private school’s per-pupil expenditure or \$6,501, whichever is less. Participating schools must accept the scholarship amount as full payment of tuition.

**Number of participants:** In the 2007–08 school year, 18,882 students received scholarships to attend 120 participating private schools.

**Authorizing statute:** *Wisconsin Statute* §119.23

**Legislative history:** The Milwaukee Parental Choice Program was signed into law in 1990. In 1995, it was expanded to include religious schools. In 2006, the law was changed to increase the number of students who may participate in the program, by increasing the income limit from 175 percent to 220 percent over the federal poverty level and by eliminating the prior-year attendance requirements (allowing students who move into the district to be eligible).

**Judicial history:** In June 1998, the Wisconsin Supreme Court affirmed the constitutionality of the program in *Jackson v. Benson*. In November 1998, the U.S. Supreme Court declined to review the case.

**For more information, see:** <http://dpi.wi.gov/sms/choice.html>.

## **26. District of Columbia—DC Opportunity Scholarship Program<sup>14</sup>**

**Program type:** *Scholarships for students from low-income families*

**Description:** The DC Opportunity Scholarship Program provides scholarships to students for attendance at private schools in the District of Columbia. This program, unlike the others in this report, is not a state-funded program, but a federally funded program. To be eligible, students must be from families who reside in the District and whose household income does not exceed 185 percent of the federal poverty level. Scholarship students may receive continuation of their scholarships if their household income does not exceed 300 percent of the poverty level. If the number of new scholarships in any year is less than the number of eligible applicants, selection of recipients follows a lottery method. Priority is given to students attending schools identified for improvement, corrective action, or restructuring under the Title I of the *No Child Left Behind Act of 2001*.

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<sup>14</sup> This program, also known as the District of Columbia School Choice Incentive Program, is authorized and funded by the federal government.

With respect to scholarship recipients, participating private schools may not discriminate on the basis of race, color, national origin, or religion. Certain exemptions from nondiscrimination requirements are given to participating schools with a religious affiliation.

The Washington Scholarship Fund (WSF), a local nonprofit scholarship organization, administers the DC Opportunity Scholarship Program under a grant from the U.S. Department of Education. Families apply to WSF directly for scholarships, indicating their preference of participating schools.

As mandated by law, the program is evaluated annually by an independent research organization. Evaluations address the academic achievement and the retention, dropout, and college admissions rates of scholarship recipients, in comparison both to students who remain in D.C. public schools and to students who applied for but did not receive scholarships. Evaluations also examine the following: the success of the program in expanding education options for parents; the reasons why parents choose to have their students participate in the program; the impact of the program on students and public schools in the District; and the safety of the schools attended by scholarship students, in comparison to other D.C. schools.

***Amount of assistance:*** The annual scholarship amount is \$7,500 or the participating private school's tuition, fees, and any transportation costs, whichever is less.

***Number of participants:*** In the 2007–08 school year, 1,933 students received scholarships to attend 55 participating private schools.

***Authorizing statute:*** *D.C. Code* §§38-1851.01–38-1851.11

***Legislative history:*** On Jan. 23, 2004, President Bush signed the program into law via the *D.C. School Choice Incentive Act of 2003*, which was included in the *Consolidated Appropriations Act of 2004*. In 2006, legislation was signed into law that raised the household income eligibility renewal limit from 200 to 300 percent of the federal poverty level for students who received their first scholarship in 2004–05 and 2005–06 school years. The program was first implemented in the 2004–05 year and is the first of its kind at the federal level.

***Judicial history:*** There have been no lawsuits challenging the legality or constitutionality of this program.

***For more information, see:***

<http://www.ed.gov/programs/dcchoice/index.html>.

## **Appendix A: Statutes of State Programs Providing Financial Assistance for Attendance at Private Elementary and Secondary Schools**

Following are citations of authorizing statute(s), with expanded statute descriptions and hyperlinks to statutory documents, for each of the respective state programs providing financial assistance for attendance at private elementary and secondary schools:

### **1. Arizona:**

**Tax credits** for *individuals* for contributions to scholarship organizations:

A.R.S. §43-1089

*Arizona Revised Statutes*

Title 43. Taxation of Income

Chapter 10. Individuals

Article 5. Credits

Section 1089. Credit for contributions to school tuition organization; definitions

<http://www.azleg.state.az.us/FormatDocument.asp?inDoc=/ars/43/01089.htm&Title=43&DocType=ARS>

**Tax Credits** for *corporations* for contributions to scholarship organizations:

A.R.S. §43-1183

*Arizona Revised Statutes*

Title 43. Taxation of Income

Chapter 11. Corporations

Article 6. Credits

Section 1183. Credit for contributions to school tuition organization; definitions

<http://www.azleg.gov/FormatDocument.asp?inDoc=/ars/43/01183.htm&Title=43&DocType=ARS>

**Scholarships** for students with disabilities:

A.R.S. §§15-891–891.06

*Arizona Revised Statutes*

Title 15. Education

Chapter 8. School Attendance

Article 8. Arizona Scholarships for Pupils with Disabilities

Sections 891–891.06: Arizona Scholarships for Pupils with Disabilities; definitions. See “Next Document” to see the additional sections.

<http://www.azleg.state.az.us/FormatDocument.asp?inDoc=/ars/15/00891.htm&Title=15&DocType=ARS>

**Scholarships** for children in foster care:

A.R.S. §§15-817–15-817.07

*Arizona Revised Statutes*

Title 15. Education

Chapter 8. School Attendance

Article 1.2. Displaced Pupils Choice Grants  
Sections 817-817.06. Displaced Pupils Choice Grants; definitions  
<http://www.azleg.gov/FormatDocument.asp?inDoc=/ars/15/00817.htm&Title=15&DocType=ARS>

## **2. Florida:**

**Scholarships** for students in failing schools:

*Fla. Stat.* §1002.38

*Florida Statutes*

Title XLVIII. K–20 Education Code

Chapter 1002. Student and Parental Educational Rights and Educational Choices

Part III. Educational Choice

Section 38. Opportunity Scholarship Program

[http://www.flsenate.gov/Statutes/index.cfm?App\\_mode=Display\\_Statute&Search\\_String=&URL=Ch1002/SEC38.HTM&Title=->2002->Ch1002->Section%2038](http://www.flsenate.gov/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=Ch1002/SEC38.HTM&Title=->2002->Ch1002->Section%2038)

**Scholarships** for students with disabilities:

*Fla. Stat.* §1002.39

*Florida Statutes*

Title XLVIII. K–20 Education Code

Chapter 1002. Student and Parental Rights and Educational Choices

Part III. Educational Choice

Section 39. The John M. McKay Scholarships for Students with Disabilities Program

[http://www.flsenate.gov/Statutes/index.cfm?App\\_mode=Display\\_Statute&Search\\_String=&URL=Ch1002/SEC39.HTM&Title=->2002->Ch1002->Section%2039](http://www.flsenate.gov/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=Ch1002/SEC39.HTM&Title=->2002->Ch1002->Section%2039)

**Tax credits** for corporations for contributions to scholarship organizations:

*Fla. Stat.* §220.187

*Florida Statutes*

Title XIV. Taxation and Finance

Chapter 220. Income Tax Code

Part II. Tax Imposed; Apportionment

Section 187. Credits for contributions to nonprofit scholarship-funding organizations

[http://www.flsenate.gov/statutes/index.cfm?mode=View%20Statutes&SubMenu=1&App\\_mode=Display\\_Statute&Search\\_String=220.187&URL=CH0220/Sec187.HTM](http://www.flsenate.gov/statutes/index.cfm?mode=View%20Statutes&SubMenu=1&App_mode=Display_Statute&Search_String=220.187&URL=CH0220/Sec187.HTM)

## **3. Georgia:**

**Scholarships** for students with disabilities:

*Georgia Code:* §§20-2-2110–20-2-2118

*Official Code of Georgia*

Title 20. Education

Chapter 2. Elementary and Secondary Education

Article 33. *Georgia Special Needs Scholarship Act*

*The Official Code of Georgia is maintained by an external vendor. To view, visit the following Web site where you may search or scroll down to view each title:*  
<http://public.doe.k12.ga.us/DMGetDocument.aspx/SB-10%20as%20passed.pdf?p=6CC6799F8C1371F625421BDDF99DC5A1A21D468A4DC275323CE773062067157B&Type=D>

**Tax Credits** for individuals and corporations for contributions to scholarship organizations:

*Georgia Code: §§20-2A-1–20-2A-6*  
*Official Code of Georgia*  
Title 20. Education  
Chapter 2A. Student Scholarship Organizations  
Sections 1–6. Definitions, requirements for student scholarship organizations; taxation requirements for student scholarship organizations; list of student scholarship organizations to be provided by the General Assembly

*Georgia Code: §48-7-29.16.*  
*Official Code of Georgia*  
Title 48. Revenue and Taxation  
Chapter 7. Income Taxes  
Article 29.16. Qualified education tax credit  
*The Official Code of Georgia is maintained by an external vendor. To view, visit the following Web site where you may search or scroll down to view each title:*  
<http://public.doe.k12.ga.us/DMGetDocument.aspx/hb1133.pdf?p=6CC6799F8C1371F671792C922C22DC7EFAE2B224675CCB85939D408E34A9685F&Type=D>  
<http://www.lexis-nexis.com/hottopics/gacode/default.asp>

#### **4. Illinois:**

**Tax credits** for *parents* for education expenses:

35 ILCS 5/201  
*Illinois Compiled Statutes*  
Chapter 35. Revenue  
35 ILCS 5/. *Illinois Income Tax Act*  
Article 2. Tax Imposed  
Section 201. Tax Imposed  
Subsection (m). Education expense credit  
<http://www.ilga.gov/legislation/ilcs/ilcs4.asp?DocName=003500050HArt%2E+2&ActID=577&ChapAct=35%A0ILCS%A05%2F&ChapterID=8&ChapterName=REVENUE&SectionID=39344&SeqStart=600000&SeqEnd=3000000&ActName=Illinois+Income+Tax+Act%2E>  
*Note: Select Back to Article Listing and then select Article 2.*

#### **5. Iowa:**

**Tax credits** for *parents* for education expenses:

*Iowa Code* §422.12

*Code of Iowa*

Title X. Financial Resources

Subtitle 1. Revenues and Financial Management

Chapter 422. Income, Sales, Services, and Franchise Taxes

Division II. Personal Net Income Tax

Section 12. Deductions from computed tax

Subsection 2.

[http://search.legis.state.ia.us/NXT/gateway.dll/2007codesupp/1/14480/14481/14540/14573?f=templates\\$fn=default.htm\\$q=\[field%20folio-destination-name:'sec\\_422\\_12'\]\\$x=Advanced](http://search.legis.state.ia.us/NXT/gateway.dll/2007codesupp/1/14480/14481/14540/14573?f=templates$fn=default.htm$q=[field%20folio-destination-name:'sec_422_12']$x=Advanced)

*Note: The Iowa Code will not link directly to each section; to view the section search the Iowa Code tab in the column on the left.*

**Tax Credits** for taxpayers who contribute to School Tuition Organizations:

*Iowa Code §422.11S*

*Iowa Code*

Title X. Financial Resources

Subtitle 1. Revenues and Financial Management

Chapter 422. Individual Income, Corporate, and Franchise Taxes

Division II. Personal Net Income Tax

Section 11S. School tuition organization tax credit

[http://search.legis.state.ia.us/NXT/gateway.dll/2007codesupp/1/14480/14481/14540/14570?f=templates\\$fn=default.htm\\$q=\[field%20folio-destination-name:'sec\\_422\\_11S'\]\\$x=Advanced](http://search.legis.state.ia.us/NXT/gateway.dll/2007codesupp/1/14480/14481/14540/14570?f=templates$fn=default.htm$q=[field%20folio-destination-name:'sec_422_11S']$x=Advanced)

*Note: The Iowa Code will not link directly to each section; to view the section search the Iowa Code tab in the column on the left.*

**6. Louisiana:**

**Scholarships** for students from low-income families in New Orleans:

*Louisiana Revised Statutes §§R.S. 17:4011–17:4025*

*Louisiana Revised Statutes*

Title 17. Education

Chapter 43. Student Scholarship for Educational Excellence Program

Sections 4011–4025. *Student Scholarships for Educational Excellence Act*

<http://www.legis.state.la.us/lss/lss.asp?doc=631046>

**Tax deduction** to individuals for tuition and qualified educational expenses:

*Louisiana Revised Statutes §§R.S. 47:297.10–47:297.12*

*Louisiana Revised Statutes*

Title 47. Revenue and Taxation

Chapter 297. Reduction to Tax Due

Sections 297.10–297.12. Tax deduction; elementary and secondary school tuition

<http://www.legis.state.la.us/lss/lss.asp?doc=473661>

## **7. Maine:**

**Scholarship-like tuition assistance** for students in small towns and rural areas:

20-A *M.R.S.* §§2951–2955

*Maine Revised Statutes*

Title 20-A. Education

Part 2. School Organization

Chapter 117. Private Schools

Subchapter II. Approval for the Receipt of Public Funds by the Private Secondary Schools

Sections 2951–2955. Approval for tuition purposes; report to commissioner; audit; rules of commissioner; penalty for noncompliance

<http://janus.state.me.us/legis/statutes/20-a/title20-Ach117sec0.html>

20-A *M.R.S.* §5204

*Maine Revised Statutes*

Title 20-A. Education

Part 3. Elementary and Secondary Education

Chapter 213. Student Eligibility

Section 5204. Secondary students right to attend school in another administrative unit

<http://janus.state.me.us/legis/statutes/20-a/title20-Ach213sec0.html>

20-A *M.R.S.* §5801, 20-A *M.R.S.* §5804, 20-A *M.R.S.* §5806

*Maine Revised Statutes*

Title 20-A. Education

Part 3. Elementary and Secondary Education

Chapter 219. Tuition

Sections 5801, 5806. Acceptance of tuition students

<http://janus.state.me.us/legis/statutes/20-a/title20-Ach219sec0.html>

## **8. Minnesota:**

**Tax credits and tax deductions** for *parents* for education expenses:

Tax credits:

*Minn. Stat.* §290.0674

*Minnesota Statutes*

Various State Taxes, Administration

Chapter 290. Income and Franchise Taxes

Section 0674. Minnesota Education Credit

<http://www.revisor.leg.state.mn.us/stats/290/0674.html>

Tax deductions:

*Minn. Stat.* §290.01

*Minnesota Statutes*

Various State Taxes, Administration

Chapter 290. Income and Franchise Taxes  
Section 01. Definitions  
Subdivision 19b. Subtractions from Federal taxable income  
<http://www.revisor.leg.state.mn.us/stats/290/01.html>

## 9. Ohio:

**Scholarships** for students in Cleveland:

*ORC Ann.* 3313.97.4–3313.99  
*Ohio Revised Code Annotated*  
Title 33. Education-Libraries  
Chapter 3313. Boards of Education  
Sections 974–999. Pilot Project Scholarship Program  
<http://codes.ohio.gov/orc/3313>

**Scholarships** for students with autism:

*ORC Ann.* 3310.41  
*Ohio Revised Code Annotated*  
Title 33. Education-Libraries  
Chapter 3310. Education Choice Scholarship Program Pilot  
Section 41. Autism Scholarship Program  
<http://codes.ohio.gov/orc/3310>

**Scholarships** for students in underperforming schools:

*ORC Ann.* 3310.01–3310.17  
*Ohio Revised Code Annotated*  
Title 33. Education-Libraries  
Chapter 3310. Educational Choice Scholarship Program Pilot  
<http://codes.ohio.gov/orc/3310>

## 10. Pennsylvania:

**Tax credits** for *corporations* for contributions to scholarship organizations:

24 *P.S.* §§20-2001-B–20-2008-B  
*Pennsylvania Statutes*  
Title 24. Education  
Chapter 1. Public School Code of 1949  
Article XX-B. Educational Improvement Tax Credit  
Sections 2001-B–2008-B  
*Note: Current Pennsylvania Statutes are available online only through subscription services.*

## 11. Rhode Island

**Tax credits** for *corporations* for contributions to scholarship organizations:

*RIGL* 44-62.1–44-62.7  
*The State of Rhode Island General Laws*  
Chapter 44. Taxation  
Section 62. Tax Credits to Contributions to Scholarship Organizations

<http://www.rilin.state.ri.us/Statutes/TITLE44/44-62/INDEX.HTM>

## **12. Utah**

**Scholarships** for students with disabilities:

*Utah Code Ann.* §§53A-1a-701–710

*Utah Code Annotated*

Title 53A. State System of Public Education

Chapter 1a. Utah Strategic Planning for Educational Excellence

Part 7. *Carson Smith Scholarships for Students with Special Needs Act*

Sections 701–710

<http://www.le.state.ut.us/~code/TITLE53A/53A02.htm>

**Scholarships** for all students:

This law is not included in the Utah Code because the public voted down the law in a November 2007 referendum.

## **13. Vermont:**

**Scholarship-like tuition assistance** for students in small towns and rural areas:

16 V.S.A. §166

*Vermont Statutes Annotated*

Title 16. Education

Chapter 3. State Board of Education

Section 166. Approved and recognized independent schools

<http://www.leg.state.vt.us/statutes/fullsection.cfm?Title=16&Chapter=003&Section=00166>

16 V.S.A. §§821–833

*Vermont Statutes Annotated*

Title 16. Education

Chapter 21. Maintenance of Public Schools

Sections 821–833. School district to maintain public elementary schools or pay tuition

<http://www.leg.state.vt.us/statutes/sections.cfm?Title=16&Chapter=021>

## **14. Wisconsin:**

**Scholarships** for students from low-income families in Milwaukee:

*Wis. Stat.* §119.23

*Wisconsin Statutes and Annotations*

Public Instruction

Chapter 119. First Class City School System

Section 23. Milwaukee parental choice program

[http://folio.legis.state.wi.us/cgi-bin/om\\_isapi.dll?clientID=156619&infobase=stats.nfo&j1=119.23&jump=119.23&softpage=Browse\\_Frame\\_Pg](http://folio.legis.state.wi.us/cgi-bin/om_isapi.dll?clientID=156619&infobase=stats.nfo&j1=119.23&jump=119.23&softpage=Browse_Frame_Pg)

**15. District of Columbia:**

**Scholarships** for students from low-income families:

*D.C. Code* §§38-1851.01–1851.11

*District of Columbia Code Annotated*

Title 38. Educational Institutions

Subtitle IV-A. Public Education-School Choice

Chapter 18-M. Grants for Tuition to Attend Primary and Secondary Schools in the District

<http://www.ed.gov/programs/dcchoice/legislation.html>

## **Appendix B: Selected Web Resources Related to Financial Assistance For Attendance at Private Elementary and Secondary Schools**

Following are Web sites of organizations featuring the state programs that provide financial assistance for attendance at private elementary and secondary schools, as well as information on issues in private school choice generally.

### **Alliance for School Choice**

<http://www.allianceforschoolchoice.org>

For comprehensive information on state programs, see “[School Choice in your State](#).”

### **Black Alliance for Educational Options (BAEO)**

<http://www.baео.org>

For introductory information on types of school choice programs, see “[School Choice Glossary](#),” located under Parental Choice.

For information on scholarship and scholarship-like assistance programs by state, see “[Tax-Supported Scholarships \(Vouchers\)](#),” located under Parental Choice.

For information on tax credit and deduction programs, see “[Tuition Tax Credits and Deductions](#),” located under Parental Choice.

### **Center for Education Reform**

<http://www.edreform.com>

For news and general information on school choice programs, see “[Choice Programs](#),” located under School Choices.

### **Education Commission of the States (ECS)**

<http://www.ecs.org>

For summary information on choice programs across the states, see “[State Policies for School Choice Database](#),” located under Choice—What Are States Doing. Choice is an option under the A-Z index of Education Issues.

For detailed information on programs by state, see *[Policy Brief: Vouchers, Tax Credits and Tax Deductions](#)*. The policy brief is no longer listed under the Choice—Selected Research and Readings section, but the policy brief can be found through a search of the ECS Web site hyperlinked article title, which directs to the policy brief’s location in the ECS Web site’s archives.

### **Friedman Foundation for Educational Choice**

<http://www.friedmanfoundation.org>

For introductory information on school choice programs, see [School Choice](#).

For current information on programs by state, see “[School Choice Programs](#),” located under School Choice.

For comprehensive information on state programs, see *[ABC’s of School Choice \(2006-2007 Edition\)](#)*, located under Foundation Publications.

### **The Heritage Foundation**

Education Issues

<http://www.heritage.org/Research/Education/index.cfm>

For summary information on school choice programs by state, as well as school choice news and research see “[Choices in Education](#),” located under Education Issues.

For links to research on school choice programs, see “[Parental Choice](#),” also located under Education Issues.

### **Heartland Institute**

Education

<http://www.heartland.org>

For news on school choice programs, see “[School Reform News](#),” a tab located under Education in the left column.

### **Hispanic Council for Reform and Educational Options (HCREO)**

<http://www.hcreo.org>

For summary information on school choice programs across the states, see [Research](#).

### **Institute for Justice**

School Choice

<http://www.ij.org/schoolchoice/index.html>

The Institute for Justice provides news and detailed information on current and past school choice legal cases.

For information on school choice programs, research, and legal issues, see “[Complete School Choice Media Kit](#).”

### **Institute for the Transformation of Learning, Marquette University**

<http://www.itlmuonline.com>

For a summary of research on school choice programs, see [Survey of School Choice Research: Spring 2005](#).

### **SchoolChoiceInfo.org**

<http://www.schoolchoiceinfo.org>

For comprehensive information on state programs, see [School Choice Facts](#).

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