

Progress

AMERICAN FEDERATION *for* CHILDREN

2015 LEGISLATIVE IMPACT REPORT



EDUCATIONAL CHOICE IS INCREASING IN TERMS OF SIZE,
QUALITY AND ACCOUNTABILITY.

	2000	2010	2015
NUMBER OF STATES WITH PROGRAMS	4	13*	24*
NUMBER OF PROGRAMS	4	20	48
ENROLLMENT IN PROGRAMS	29,000	183,000	400,000
SCHOLARSHIP OPPORTUNITIES ACROSS PROGRAMS	1M	2M	3M
PUBLIC MONEY SUPPORTING PROGRAMS	80M	714M	1.5B

**Includes Washington, D.C.*

Dear Friends,

2015 was one of the best years ever for educational choice as legislators and governors around the country responded to the demands of parents for greater educational choice and innovation in K–12 education.

Four states enacted their first-ever private school choice programs, and a total of eight new programs were enacted nationwide. Nevada became an educational choice leader this year. It boldly enacted a means-tested tax credit scholarship program and, thanks to terrific legislative leadership and a strong coalition, enacted the most robust and innovative school choice law in the nation, a near-universal Education Savings Account program.

The momentum and growth of new programs and new states were echoed around the country, with school choice bills passing out of at least one legislative chamber in 25 states, while nine states made expansions and improvements to existing programs.

Currently, there are 48 programs in 23 states and Washington, D.C., empowering an estimated 360,000 students to attend a private school of their parents' choice across the country. For more than a decade, we have seen constant progress in states adopting and embracing robust educational choice programs.

At the end of this legislative cycle, we have a great deal to celebrate — however, our work is not nearly done. We must continue to empower parents and children with access to educational opportunities that they would not have in the traditional system. We must continue to work with legislators on both sides of the aisle to strengthen and pass innovative programs. And we must continue to give these deserving children the opportunity to positively change their lives through educational choice and improve educational outcomes across the board.

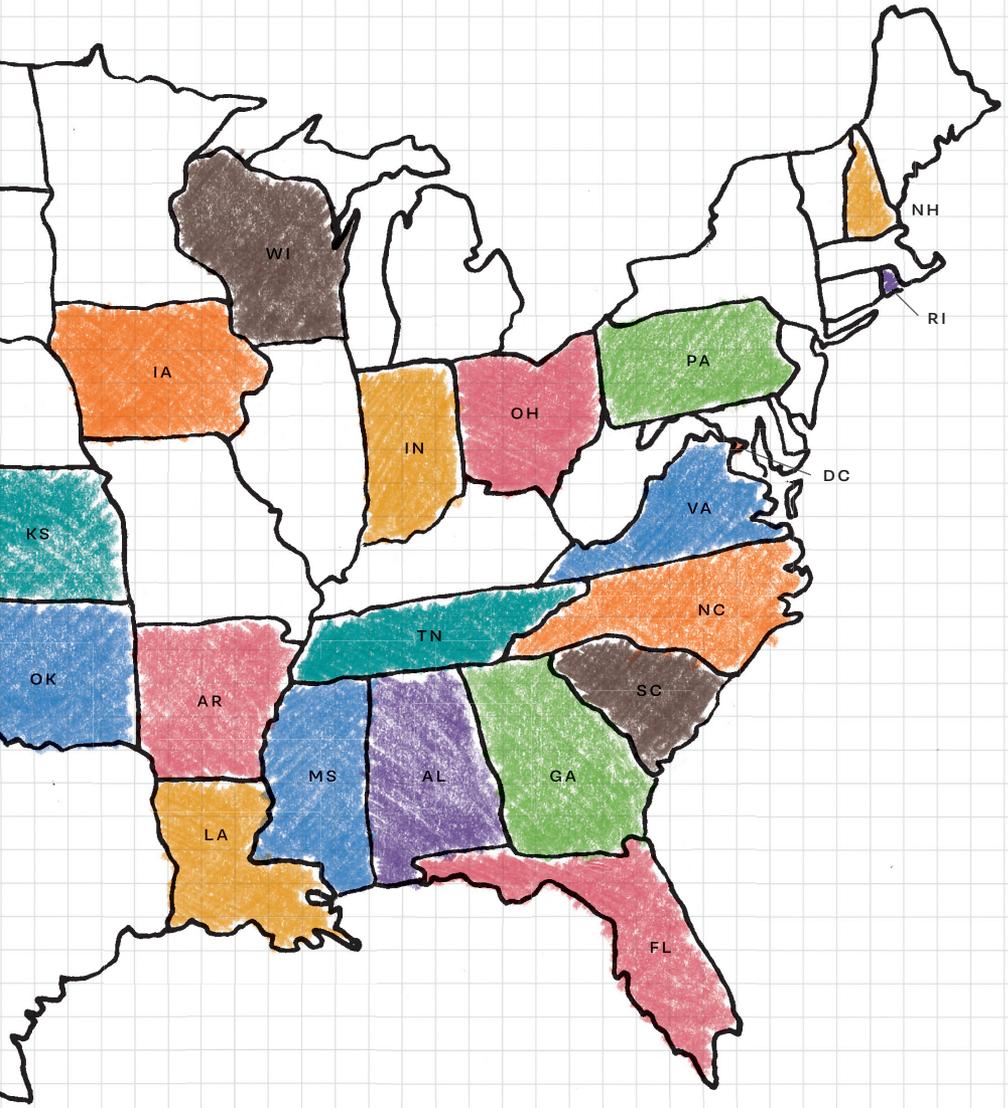
With the 2015 legislative sessions nearly complete, we are already planning for 2016. We will defend the gains, look to improve and expand existing programs, seize new opportunities and continue this important work to ensure that every child, no matter their ZIP code or family income, has access to a quality education.

Best wishes,



Betsy DeVos, Chairman

AMERICAN FEDERATION FOR CHILDREN





Alabama

During the 2015 legislative session, AFC led the effort to successfully expand the tax credit scholarship program cap from \$25 million to \$30 million, while also increasing accountability and transparency. Currently, there are 384,811 students who qualify for the program.

Only two years after establishing the state's first-ever private school choice program with exclusively Republican support, the program was expanded this year with a significant bipartisan majority, including a final vote of 84–5 in the House.

At the beginning of 2015, Alabama was one of eight states without charter schools. Determined to change that fact, AFC joined the coalition to pass Alabama's first charter school law, allowing for up to 10 new charter schools each year for the next five years, and dramatically increasing public school choice in the state.

These legislative victories came just months after AFC helped organize the largest National School Choice Week rally in the nation, where nearly 3,000 students, parents and teachers traveled to the Capitol to demand more educational options.

NEW PROGRAM CREATED, BIPARTISAN SUPPORT,
EXISTING PROGRAMS EXPANDED + IMPROVED



ALABAMA FAST FACTS

5,776

STUDENTS

received scholarships in 2014

19

DEMOCRATS

voted for final passage of the
scholarship program expansion/
accountability bill

ALABAMA IN THE HEADLINES



Alabama Accountability Act Upheld by Supreme Court (MARCH 2, 2015)

The Washington Times

Parents rally at Alabama Capitol for school choice (JANUARY 28, 2015)



5,776 students receive Alabama accountability act scholarships in 2014 (JUNE 10, 2015)



Arizona

Four years after creating Arizona's Empowerment Scholarship Accounts, AFC worked with the legislature to expand the program to include nearly 50,000 children living on Native American reservations. Demonstrating an unprecedented level of bipartisanship in Arizona, the bill was sponsored by Democratic Sen. Carlyle Begay, who represents the Navajo Nation in the legislature. The bill also established a bipartisan study committee to look into ways to improve the ESA program for students with special needs.

Additionally, AFC was successful in adding S-Corporations to the list of eligible donors to Arizona's Corporate Scholarship Tax Credit program. A similar bill had been vetoed in past years by then-Gov. Jan Brewer. By contrast, Gov. Doug Ducey enthusiastically held a ceremony to sign the bill into law.

Thanks to previous legislative victories, the overall donation cap on the corporate credit grows by 20 percent each fiscal year. The cap resets every July 1 and this year's highest-ever cap of just over \$51 million was maxed in less than a week.



ARIZONA FAST FACTS

On July 1, 2015, the largest-ever yearly donation cap of over

\$51 MILLION

opened up for corporations to contribute to the scholarship tax credit for low-income students. In an amazing record-setting pace, the cap was **MAXED OUT WITHIN THREE BUSINESS DAYS**

Tax credit donations from individuals continue to show growth with the latest figures from the Department of Revenue showing over

\$75 MILLION

in annual donations

Even without the newly eligible Native American children, **A RECORD NUMBER OF FAMILIES** applied for the Empowerment Scholarship Accounts program, putting it on a path to more than double in size again for the 2015–16 school year

WITHIN DAYS of opening up the annual cap on Lexi's Law scholarships for children with disabilities, the program was also maxed, demonstrating **INCREASING AWARENESS AND POPULARITY FOR THIS WORTHY PROGRAM**

ARIZONA IN THE HEADLINES



Arizona credits provide chance to shave taxes, do good (NOVEMBER, 1, 2014)

Why Education Tax Credits are a Great Deal (DECEMBER 25, 2014)

Tax credits help special-needs students thrive at Lauren's Institute (JULY 28, 2015)



Corporate tuition tax credit program breaks record (JULY 26, 2015)



Arkansas

During the 2015 legislative session, Arkansas passed its first private school choice program, the Succeed Scholarship Program. The Succeed Scholarship provides scholarships to students with special needs to attend a private school of their parents' choice.

The program is scheduled to begin in the 2016–17 school year. All students in the state with special needs will have the option to choose to go to a private school that best suits their individual requirements. Scholarship amounts will equal what the student would have received in a traditional public school.





Florida

The Personal Learning Scholarship Program for students with special needs will see a major increase in funding, rising from \$18 million to \$55 million. Eligibility was also expanded to include additional diagnoses as well as 3- and 4-year-olds who meet the diagnosis criteria. The legislature approved a three percent administrative fee for the scholarship organizations administering the program, which is funded directly from the state and not the student's accounts.



FLORIDA FAST FACTS

The 69,950 students in 2014–15 is

AN INCREASE OF

10,128

STUDENTS

over the 2013–14 student total of 59,822
in 1,533 participating schools

FLORIDA IN THE HEADLINES

THE HEARTLAND INSTITUTE 

Florida Judge Dismisses Lawsuit Against Tax Credit Scholarship Program (MAY 19, 2015)



Georgia

In the first year of his second term, Georgia Gov. Nathan Deal made the passage of Opportunity School District legislation his top priority. Creation of an Opportunity School District would allow the state to intervene in chronically poor-performing schools. Having successfully passed in the legislature with more than a two-thirds bipartisan majority, the issue now goes before voters in 2016.

While the Opportunity School District fight eclipsed other efforts to expand school choice in the state, AFC initiated a universal Education Savings Account bill with bipartisan sponsorship in both the House and Senate. The program would allow 8,000 students to participate in the first year, 16,000 in the second year and would be unlimited thereafter. The House version of the bill passed out of committee but did not receive a floor vote in time. The bill remains alive for the 2016 legislative session.

There were \$92 million in donations requested in the first few hours of the New Year for the state's Tax Credit Scholarship Program, which is currently capped at \$58 million. Not only is donor demand higher than the overall cap, but most scholarship organizations also report long waiting lists of students needing a better school.

In response, AFC supported a bill introduced by Democratic Rep. Mike Glanton to create a corporate-only tax credit scholarship program to serve low-income students. The bill received a favorable hearing but no vote. It, too, remains viable for the 2016 session.

In the meantime, Gov. Deal set up an Education Reform Commission, including a special subcommittee tasked with making recommendations by October of this year on how best to expand educational choice in Georgia. AFC is advising the committee on ESAs, expanding the existing tax credit scholarship program and improving the current Georgia Special Needs Scholarship program.





Indiana

Indiana's voucher program remains one of the fastest-growing school choice programs in the nation, nearly doubling in size every year since its inception. Responding to the demand, the legislature and Gov. Mike Pence expanded the program's funding and eligibility.

Working closely with Hoosiers for Quality Education, AFC was able to increase the voucher amount for students in grades K–8, in some cases as much as \$2,000 per student, meaning that most voucher students in Indiana will be eligible for scholarships ranging from \$6,000 to \$7,000. This increase in scholarship amounts is likely to help attract new private school supply to Indiana.

Indiana increased the state's Scholarship Tax Credit Program by \$1 million in each of the next two fiscal years (from \$7.5 million to \$8.5 million next year, and \$9.5 million the year following). This increase is timely as the current cap will likely be met this year.



INDIANA FAST FACTS

13%

of all Hoosier students are
EXERCISING SCHOOL CHOICE

Indiana has the
LARGEST AND FASTEST-GROWING
voucher program in the nation

85%

of voucher schools in Indiana serve
STUDENTS WITH SPECIAL NEEDS

The most recent state budget
included the largest-ever increase
in K-12 funding of

\$474
MILLION

INDIANA IN THE HEADLINES

INDYSTAR

School reform is helping students (JULY 25, 2015)

 **Chalkbeat**

Indiana finalizes new A-F model for 2015-16 (JULY 17, 2015)



Louisiana

The Louisiana Federation for Children overcame several threats to educational choice during the legislative session. House Bill 340 would have prohibited students entering kindergarten who were not zoned to attend D- or F-rated public schools from being eligible to participate in the Louisiana Scholarship Program. The second bill, House Bill 21, would have outlawed the Board of Elementary and Secondary Education (BESE) from approving charter schools in A- or B-rated school districts. This bill would have prohibited approximately 49,000 students from having the ability to attend a charter school.

House Bill 166 would have forced 38 charter schools to return to the Orleans Parish School Board, even though the newly hired superintendent, Henderson Lewis Jr., publicly admitted that the school board was not ready to run that many schools.

In addition to defending against attacks to educational choice, the Louisiana team worked diligently to ensure that the line item appropriation for the Louisiana Scholarship Program remained in the state budget. Even with a \$1.6 billion deficit in the state's budget, the Louisiana legislature, with bipartisan support, fully funded the scholarship program by allocating \$42 million for approximately 8,000 students to participate in the program.



LOUISIANA FAST FACTS

More than
96,000
STUDENTS
are enrolled in Louisiana school
choice programs

A recent study by Tulane University's Education Research Alliance for New Orleans showed the city's parents considered a variety of factors when choosing a school, including:

- ✓ LOCATION
- ✓ EXTRACURRICULAR ACTIVITIES
- ✓ ACADEMICS

Since 2008, student enrollment and the number of schools participating in the Louisiana Scholarship Program have consistently increased

Currently,
127
SCHOOLS
participate in the Louisiana
Scholarship Program

enabling more than
7,600
STUDENTS
from low-income families to attend
a private school of their choice

LOUISIANA IN THE HEADLINES

The Times-Picayune

Vouchers give kids 'the first real chance to succeed,' judge says (JUNE 1, 2015)

BusinessReport

Rolfe McCollister: Louisiana sets example for school choice (MAY 1, 2015)

LouisianaWatchdog.org

New Orleans school vouchers doing more with less (JANUARY 27, 2015)



Mississippi

Mississippi has the widest gap in the country between graduation rates for special needs students and graduation rates for general students in public schools. To address this sad performance, AFC worked with the Mississippi legislature to pass the nation's third Education Savings Account program to serve students with special needs. The effort received bipartisan support in both houses of the legislature and had the strong backing of the governor and first lady.

Five hundred students will have access to \$6,500 under the ESA the first year, adding 500 additional slots each year thereafter.

In addition to our work passing the ESA bill, AFC is helping the local allies in Mississippi create a strong state political action effort to support legislators who had the courage to vote for this new option for disadvantaged kids.



MISSISSIPPI FAST FACTS

The legislature appropriated

\$3

MILLION

to provide

434

CHILDREN

with education savings accounts
in the first year

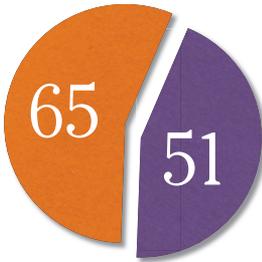
In the first few weeks,

261

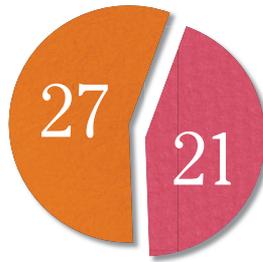
CHILDREN

were enrolled

The ESA legislation passed the House 65–51 and the Senate 27–21



HOUSE



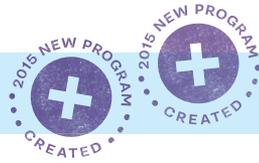
SENATE



Nevada

AFC joined other allies for a major school choice legislative push this year. The Nevada Legislature passed two new programs, including the creation of the nation's first universal Education Savings Account program. Families electing to use an ESA will receive 90 percent of the average state funding for public school students (about \$5,100), while low-income students and those with special needs will receive 100 percent of the funds. The program was championed by Sen. Scott Hammond, a 15-year public school teacher, and will launch in January of 2016.

In addition, the legislature created a \$5 million corporate tax credit scholarship program championed by Gov. Brian Sandoval. Scholarships of up to \$7,750 will be available to students whose families earn up to 300 percent of the poverty level. The total cap on donations allowed will increase by 10 percent each year.



NEVADA FAST FACTS

Nevada's new ESA program:

Over
100
APPLICATIONS

in less than

24
HOURS

of launching the application

Over
500
APPLICATIONS

in

100
HOURS



North Carolina

An approximately 18-month legal challenge to North Carolina's Opportunity Scholarship Program came to a successful conclusion in July when the North Carolina Supreme Court ruled the program did not violate the state's Constitution. The program had been declared unconstitutional by a Superior Court judge in August 2014, but the State Court of Appeals allowed the program to continue pending appeal.

The program offers scholarships for children in low-income families to attend the private school of their parents' choice. Nearly 1,200 students participated in the program during the 2014–15 school year, and over 5,000 applications have been submitted for new and renewal scholarships this year.

Now that the program is on solid ground, AFC will work closely with our in-state partner, Parents for Educational Freedom in North Carolina, to ramp up efforts to publicize and expand the program. Many parents and schools had held off from participating until the case was settled.





Ohio

A new two-year legislative session started this year, and the first order of business was to pass the 2016–17 operating budget. Working closely with our in-state partner, School Choice Ohio, several changes were included in the budget to improve Ohio’s private school choice programs.

The EdChoice scholarship amounts for both the income-based program and the underperforming schools program will increase this fall to \$4,650 for students in grades K–8 and to \$5,900 for 2015–16 and \$6,000 for 2016–17 and thereafter for grades 9–12. The income-based program will also continue to be phased in, with second grade added in 2015–16 and third grade added in 2016–17. The caps on the Autism Scholarship and the Jon Peterson Special Needs Scholarship will increase to \$27,000, and the scholarship dollar amounts per special needs category will increase.

While most of our focus was on the budget, the legislature also passed, and Gov. John Kasich signed into law, an expansion to EdChoice student eligibility. For schools in academic distress, Ohio law requires that a commission form to focus on improving the district’s academic performance. If this happens, all students in the district will be eligible for an EdChoice scholarship so long as the commission exists.



OHIO FAST FACTS

OVER
30,000

STUDENTS
enrolled during the
2013–14 school year

This is the **20-YEAR** anniversary for the Cleveland scholarship and the **10-YEAR** anniversary for the EdChoice scholarship. In that time,

OVER
89,000

STUDENTS
have benefitted from the
Cleveland scholarship

OVER
94,000

STUDENTS
have benefitted from the
EdChoice scholarship



Oklahoma

AFC helped lead a huge change in momentum for education reform in Oklahoma over the course of the last year. In 2014, the legislature defeated two charter school expansion bills by large margins and failed to even consider an Education Savings Account bill in committee. This year, the legislature passed, and the governor signed into law, a slate of education reform measures and teed up others for serious consideration in 2016.

The legislature improved the private school scholarship tax credit program, expanded independent charter schools statewide through multiple authorizers, granted Native American tribes the right to authorize their own charters and established a course options program. All of these education reform bills passed with large and bipartisan majorities.

In addition, an Education Savings Account bill made good strides by clearing two Senate committees and will be taken up by the full Senate in 2016. Finally, a bill allowing the city governments in Tulsa and Oklahoma City to grant independent charters passed the House and will be considered by the Senate next year as well.



OKLAHOMA FAST FACTS

The Republican legislature named the
**LINDSEY NICOLE HENRY SCHOLARSHIP
FOR STUDENTS WITH DISABILITIES PROGRAM**
after the deceased special needs daughter of
Democratic Governor Brad Henry

For the first time in the history of the school choice movement,
school board members who opposed the Henry Scholarship
program actually sued parents who dared to use the
scholarships for their special needs children. Thankfully, the
OKLAHOMA SUPREME COURT DISMISSED THE CASE

The expansion of the scholarship tax credit law
and the statewide charter school law passed with
LARGE AND BIPARTISAN MAJORITIES

AFC's efforts in Tennessee resulted in continued forward movement for advancing school choice in the 2015 legislative session. After years of sustained legislative momentum, the Tennessee Choice and Opportunity Scholarship Act received bipartisan support in both chambers of the legislature, as well as a line-item budget allocation and signal from Gov. Bill Haslam that he would sign the bill if it came to his desk. The Act, which would extend eligibility to approximately 300,000 low-income children, is awaiting a 2016 vote in a key House committee, where it is expected to advance to a successful floor vote.

This year also saw an unprecedented level of public support for school choice. A statewide poll commissioned by the Tennessee Federation for Children revealed that 59 percent of voters support school choice legislation, and 67 percent would consider using an opportunity scholarship if available. Then, garnering front-page headlines, more than 25,000 Memphis parents partnered with the local chapter of the Southern Christian Leadership Conference to sign a petition urging state lawmakers to support school choice. The grassroots support for school choice in the areas with failing schools was clearly made known this year.

In May, Gov. Haslam signed the Individualized Education Act, legislation that would give Education Savings Accounts to special-needs K–12 students for educational expenses. While this legislation was limited to a small list of federally recognized disabilities, it is projected to expand educational access for 18,000 families in the state of Tennessee.





This year we have seen school choice take over Capitol Hill, with more federal activity advancing the issue than ever before. Sen. Lamar Alexander (R-TN), Sen. Marco Rubio (R-FL), Sen. Tim Scott (R-SC), Sen. David Vitter (R-LA), Rep. Luke Messer (R-IN) and Rep. Todd Rokita (R-IN) all introduced choice-related legislation in Congress this session. AFC, along with its partners, also hosted a National School Choice Week rally at the Capitol featuring Speaker John Boehner and other bipartisan elected officials who spoke out in support of choice with D.C. Opportunity Scholarship Program (DC OSP) and D.C. charter school students.

Overall, the D.C. Opportunity Scholarship has continued to grow and thrive. The program, currently serving over 1,400 students, is expected to be reauthorized this session with the help of educational choice legislators on Capitol Hill.

Recently, the U.S. Department of Education named Serving Our Children, an entity facilitated by AFC, as the new administrator of the DC OSP program. The D.C.-based 501(c)(3) organization is uniquely qualified to administer the program with a board that is led by AFC Executive Counsel and former D.C. City Councilman Kevin Chavous and includes former D.C. Mayor Anthony Williams.





Wisconsin

This year, Wisconsin celebrated the 25th anniversary of the nation's first modern voucher program. Rather than rest on history, AFC worked with Gov. Scott Walker and the state legislature to improve and expand the state's education reform efforts for the future.

As part of the state budget, the state legislature and the governor enacted the following reforms: 1) increased the voucher amounts for both elementary and high school students; 2) lifted and then eliminated the enrollment caps on the new statewide voucher program over a number of years; 3) created a new private school voucher program for special needs students who have been denied the right to switch public school districts; 4) expanded independent charter authority to multiple authorizers covering more than 100 of the state's school districts; 5) granted Native American colleges the right to grant charters near their reservations; and 6) required state-created report cards on the academic success of all schools teaching publicly funded students in traditional public schools, independent charters and private schools participating in the voucher program.



WISCONSIN FAST FACTS

The nation's first modern private school choice program began in Milwaukee with 337 students in 1990. This fall, nearly 28,000 students are expected to participate



In 2016–17, students attending elementary schools will receive a

\$7,222

SCHOLARSHIP

and students attending high school will receive a

\$7,868

SCHOLARSHIP

This year, the legislature created a new **“MONEY FOLLOWS THE CHILD”** funding mechanism that effectively uses both state and local funds to pay for the scholarships in the statewide program

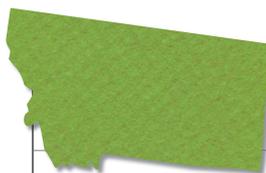
Additional Progress in 2015



South Carolina



This year, South Carolina created a parallel program to its existing scholarship tax credit program for children with special needs. It created \$4 million worth of first-come, first-served refundable tax credits for parents who choose to send their special needs children to a private school. The families are eligible for up to \$10,000 in refundable tax credits that can go toward tuition and the costs for other specialists whose services help a special needs student succeed in the classroom.



Montana



This session, the Montana legislature passed a tax credit scholarship program, the first school choice program for the state. Senate Bill 410 provides taxpayers and corporations a tax credit for donations made to a student scholarship organization. The amount of the credit cannot exceed \$150, and scholarships cannot exceed 50 percent of the per-pupil average of total public school expenditures. The aggregate amount of the tax credit allowed for 2016 is \$3 million. This cap on the program will be reevaluated each year and can increase by 10 percent annually, if needed. All Montana students between the ages of 5 and 19 are eligible, and they can use the scholarship at any qualified provider of their choice. The program takes effect in January of 2016 and is set to expire at the end of 2023.