

Progress

AMERICAN FEDERATION *for* CHILDREN

2017 LEGISLATIVE IMPACT REPORT



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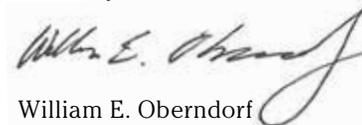
Dear Friends,

I am pleased to give you an update on the progress AFC has made across the country to expand educational choice for America's K-12 children. As you know, in the last six years alone, our movement has doubled the number of states with private school choice programs, doubled the total number of programs, and doubled the number of students enrolled. This has been a major accomplishment and a tremendous return on our donors' investment in this work. Yet we also know that we must do more because our work is far from complete. We must accelerate enrollment in these programs, enact new laws, strengthen and maintain current programs, illustrate the positive outcomes realized by participating children, and redouble efforts to defend and promote educational choice in the face of increasingly hostile opposition.

In the 2017 legislative sessions, AFC focused on expanding educational choice and defending and improving existing programs for participating students. Today, there are 52 private school choice programs in 26 states and Washington, D.C. This year, AFC's work resulted in 18 signed bills to enact, expand or strengthen educational choice. The passage of Illinois' first private school choice program, a critical legal victory saving Florida's tax credit scholarship program, expanding Arizona's innovative Education Savings Account (ESA) program, the creation of a new special needs ESA program in North Carolina, and protecting the Louisiana Scholarship Program are among this year's legislative accomplishments. At this writing, there are still some active state legislative sessions, and we remain hopeful for federal action that would facilitate a significant expansion of educational opportunity for America's K-12 students.

While our movement faces tremendous and growing opposition from defenders of the status quo, we have never been in a stronger legislative position to boldly expand educational choice in America. We have a unique window of opportunity to make a lasting and positive difference in the lives of children, especially those from low-income families. There are millions of parents whose children remain trapped in schools that are not meeting their needs and they are counting on us to continue to fight on their behalf. We will continue to push choice and innovation to help transform America's antiquated K-12 system into a 21st century model that will truly serve and meet the needs of every child. We thank you for your support and partnership in this important work.

Sincerely,

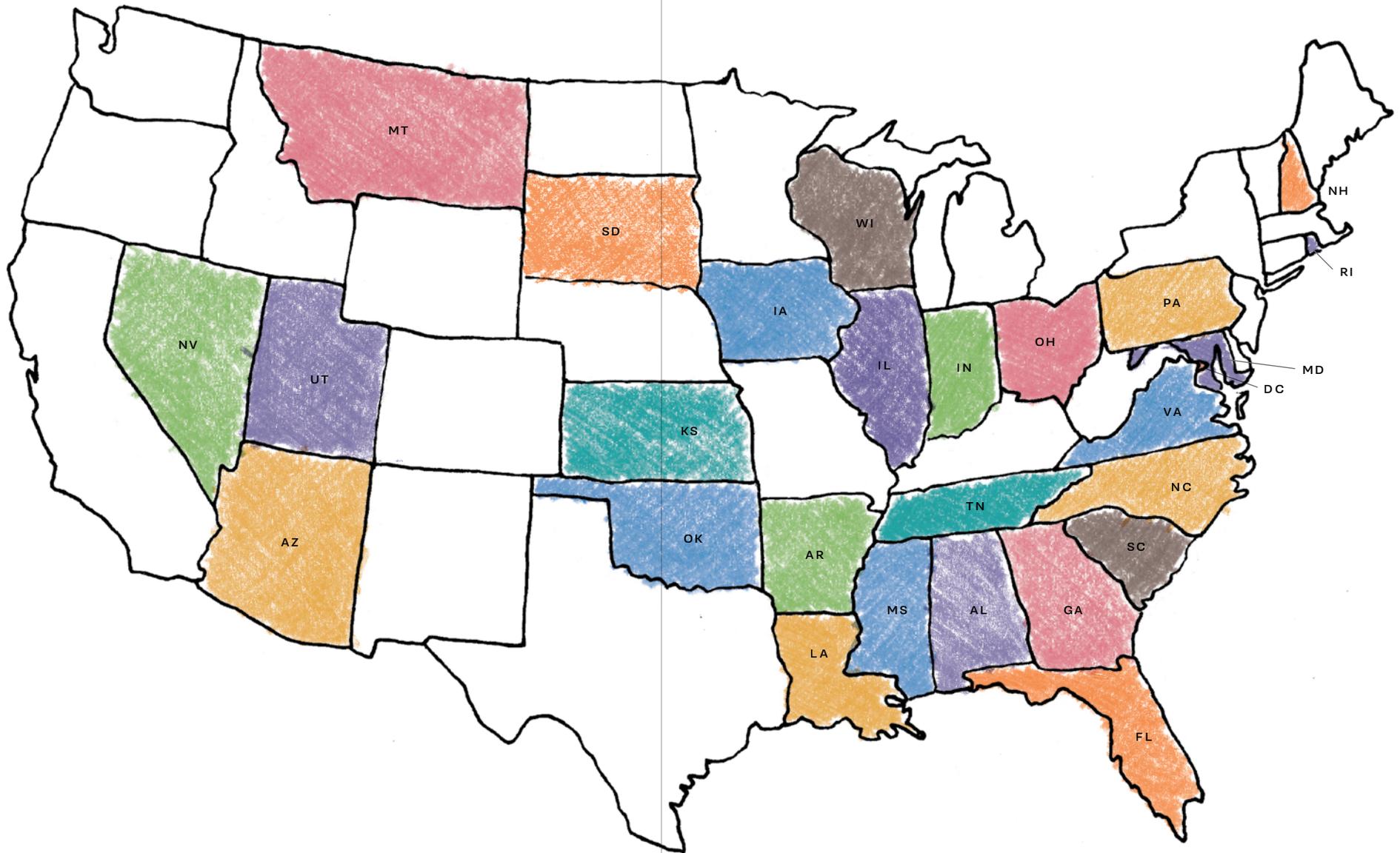


William E. Oberndorf

CHAIRMAN, AMERICAN FEDERATION FOR CHILDREN

Educational Choice Is Scalable

STATES WITH PRIVATE SCHOOL CHOICE PROGRAMS



ALABAMA FAST FACTS

This year
1,400

students have renewed their scholarships and another

600

new students assigned to failing schools
applied to participate in the program.

AFC hosted three Black History Month events in February 2017 to inform parents about school choice and work with parents willing to lobby their representatives. AFC is building on these successful events and will hold more local parent and advocate workshops in the future.



In May, students spoke with legislators at the Alabama State House to share their school choice success stories and advocate for enhancements to the Alabama Tax Credit Scholarship Program.



Alabama



AFC's primary goal in Alabama was to strengthen the state's existing school choice options.

One major improvement AFC pursued was removing fundraising barriers from the state's tax credit scholarship program. Currently, Alabama's scholarship granting organizations, or SGOs, receive funds only from income tax credits. Expanding this revenue stream to include a utility tax credit and fixing regulations to encourage more companies to donate would help SGOs and allies easily reach the \$30 million fundraising cap each year. AFC worked with legislators to craft a bill to make these changes, which passed out of the Senate and House committees. While the bill failed on the House floor, AFC plans to continue to work in future legislative sessions to pass these changes.

AFC also pushed for improvements to the state's charter school law. A proposed bill would encourage more participation from charter management organizations, resulting in more options for students. These measures were not passed during this legislative session; however, two charter schools are slated to open during the 2017–18 school year.

AFC's Alabama team continued to build out its robust grassroots engagement with current and prospective school participants and advocates. To assist with this year's lobbying efforts, AFC gathered over 100 parents and community leaders to speak with legislators and show their support for school choice legislation. It also brought current tax credit scholarship students to the State House to speak with legislators and share how school choice has influenced their lives.



Arizona



ARIZONA FAST FACTS

“We’ve been a leader in school choice. We are going to continue to be a leader in school choice. What I want a parent to be able to do is send a child to the school of their choice. And when we have opportunities to improve on that, we’re going to do that.”

– GOV. DOUG DUCEY ON EDUCATION IN ARIZONA, JAN. 2017

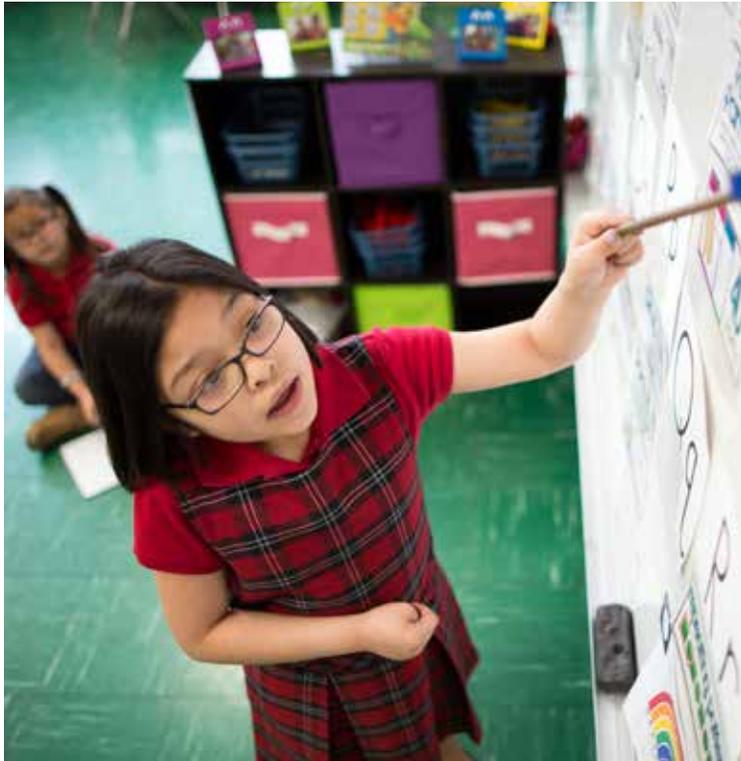
The Wall Street Journal and the Arizona Republic both cited AFC’s legislative activity and advocacy work as a major force during the successful legislative battle.

Governor Doug Ducey made school choice expansion a major legislative priority, and AFC’s Arizona team worked with legislative allies to enact a major expansion of the state’s landmark Empowerment Scholarship Account (ESA) program.

Arizona’s ESA program was the first program of its type in the country, and during the 2017 legislative session, a massive expansion was passed making all students eligible for this innovative form of school choice over the next four years. Every Arizona child enrolled in public school or entering kindergarten will be eligible for an ESA — more than 1.1 million children. Over the next four years, eligibility will open to students in phases depending on their grade level with a cap on new enrollment of 5,500 new students each year until 2023. As part of the expansion, AFC successfully incorporated commonsense financial accountability and academic accountability.

After this historic expansion was passed, defenders of the status quo retaliated against Arizona parents and students by gathering and submitting signatures in support of a referendum to kill the expansion. While opponents have submitted the required number of signatures to the Arizona Secretary of State, supporters have launched a legal challenge and that process has just begun.

Arkansas



In Arkansas, AFC worked to make improvements to the state's Succeed Scholarship Program and continued to build a strong foundation with legislative leadership to pave the way for future expansions.

The Succeed Scholarship Program is a voucher program that gives students with special needs access to a school that meets their unique needs. AFC and our allies worked with the legislature to pass a bill that improved and expanded the program. The legislation increased the number of private schools eligible to participate, solving a major supply issue the program faced. Now schools that have begun the accreditation process can accept voucher program students immediately as long as the school is accredited within four years. The bill also expanded eligibility requirements allowing all children who are in foster care, even those without a disability, to participate in the program. These changes give more students the opportunity to access a quality school.

AFC also helped charter schools have easier access to open public facilities. A bill passed during this legislative session gives charter schools the right of first refusal for leasing or purchasing unused or underutilized public school facilities.

Another piece of proposed legislation during this session was an innovative universal Education Savings Account program that would be funded through tax credits. The bill passed the Senate but fell short in the House. AFC will continue to pursue passing more robust school choice legislation in future sessions.



Florida



FLORIDA FAST FACTS

Florida has the largest and most successful private school choice program in the nation.

Over 177,000
students began the application process for the tax credit scholarship program

101,896

scholarships have been awarded for the 2017-18 school year.

In a major January 2017 legal victory, the Florida Supreme Court declined to hear an appeal on the ongoing state teachers' union lawsuit that would have evicted nearly 100,000 low-income children from the Florida Tax Credit Scholarship program. This was a huge win for Florida's families and children.

On the legislative front, thanks to the groundwork laid by AFC's political engagement, allies worked with legislators to make improvements to the state's school choice programs. Scholarship amounts in the Florida Tax Credit Scholarship Program were increased, making the program even more accessible to students, and students from military families can now apply for scholarships year-round instead of waiting for the traditional application period to open. The innovative Gardiner Scholarship Program (Florida's Education Savings Account program) received an additional \$30 million in funding, and eligibility for the program was expanded to include students with rare diseases or those with vision or hearing impairments. Accountability measures were also included to institute further protections against potential fraud in the program.

In addition to strengthening private school choice, Florida expanded and improved access to public charter schools. A new Schools of Hope program was created to draw high-achieving charter school networks to areas where traditional public schools are struggling in the state. The legislation also eliminated caps placed on academically successful charter schools that want to expand. Geographic boundaries for virtual education were eliminated, and statewide open enrollment for virtual charter schools was instituted. AFC believes that a robust market of educational options will lead to the best outcomes for students, and Florida continues to lead the way in providing access to these options for K-12 students.



Georgia



GEORGIA FAST FACTS

Support for school choice is strong in Georgia. A January 2017 Atlanta Journal Constitution poll found

61%

of voters favor more school choice in the state, “even if these tax dollars go to private schools.”

The Georgia outreach team hosted an ice cream event to educate parents about their school choice options and also capture their information to continue to build a strong grassroots presence in support of school choice in the state



During the legislative session, AFC’s Georgia team put pressure on Republican legislators and worked with leadership across the state to expand educational options for Georgia’s K–12 students. While no private school choice expansion occurred, important groundwork has been laid and bills remain active for the 2018 session.

AFC supported a charter school bill that increased accountability for authorizers and allows charter schools to receive \$100,000 from the state for facilities. This measure will increase access to public charter schools for Georgia students.

AFC supported a universal Education Savings Account bill and, while it ultimately failed because the Senate Education Chairman refused to move the bill, the bill sponsor secured a roll call vote making legislators accountable as AFC pursues legislation next year.

AFC also advocated for a bill to increase the cap on the Tax Credit Scholarship Program and add an automatic escalator to ensure the cap continues to grow. The legislation passed the House with bipartisan support, but the Senate version was scaled back and it continued to face opposition from the Lieutenant Governor.

To advance its lobbying efforts, AFC started a new program in Georgia to publicize legislators’ voting records and build a group of engaged advocates to be a resource, help encourage legislators to support school choice, and elect school choice supporters to their state and local governments. This grassroots outreach is critical as AFC continues to pursue robust expansion of school choice in Georgia.



Illinois



For the past six years, AFC has advised and worked with the Illinois school choice coalition on bill design and legislative strategy to create a tax credit scholarship program in the state. This year, the legislature passed and Governor Rauner signed into law the state's first private school choice program, representing a major victory for children and families in a blue state.

Passed with bipartisan support as a portion of the state's school aid package, the \$100 million tax credit scholarship program - the largest first year tax credit scholarship program ever - will give students from low-income families scholarships to attend the school of their parents' choice. Donors to the program will receive a 75% tax credit for their contributions. AFC worked with key allies and legislative partners throughout the negotiation process to ensure school choice remained in the aid package.

The legislation also increased funding for students who attend charter schools to be equitable with their public school counterparts. Each year, charter school students will receive an additional \$2,000 in funding toward their education.



Indiana



INDIANA IN THE HEADLINES

The Journal Gazette

Voucher schools are big winners in funding (APRIL 2017)

INDYSTAR

New test, more choice ahead for Indiana education (APRIL 2017)

Chalkbeat

Education wasn't supposed to be a big deal for Indiana lawmakers in 2017, but major changes are on the horizon (APRIL 2017)

Working with its state allies, AFC has accomplished its primary goal to improve the state's school choice programs and begin streamlining the accreditation process for new schools entering the Choice Scholarship Program.

New legislation was enacted this session to allow schools interested in participating in the Choice Scholarship Program to make accreditation appeals directly to the State Board of Education. This will expedite the accreditation process in Indiana. AFC plans to pursue similar regulations for the state's other private school choice programs in future legislative sessions.

The Indiana legislature also expanded the state's school choice programs. The funding cap for the Corporate and Individual Tax Credit Scholarship Program was increased to \$12.5 million and \$14 million over the biennium. In addition, the Choice Scholarship Program's eligibility requirements were expanded to include pre-K students who meet the income guidelines. Charter school funding also received a slight increase.

As a part of a strategy to familiarize the legislature with Education Savings Accounts (ESAs), the newest and most innovative form of school choice, several bills were introduced. This repeated exposure will help to build support for an ESA program in the future.

These expansions and developments come as AFC's ally, the Institute for Quality Education (IQE), created a new website to serve as a resource for parents to explore educational options and then encourage these parents to submit applications for their children to receive a scholarship. MySchoolOptions.org has played an important role in outreach efforts and engagement with parents, allies, and students.



Louisiana



LOUISIANA FAST FACTS

Parents remain highly satisfied with the Louisiana Scholarship Program with

94.3%

of parents satisfied or very satisfied with their child's scholarship school and

95.4%

happy with their child's academic performance (MAY 2017).

LFC has organized a grandparent advocacy group with

over 50

grandfathers and grandmothers committed to lobbying their legislators in support of school choice.



Grandparents attend a creative information session to learn about school choice and how to give their grandchildren access to a great education.

For the second year in a row, AFC's Louisiana team, the Louisiana Federation for Children (LFC), successfully fought back efforts by Governor John Bel Edwards and his allies to scale back public and private school choice and secured an important change to one program.

While constantly facing attacks from the education status quo, the LFC team advanced legislation to change the Tuition Donation Rebate Program into a tax credit scholarship program. This change makes the program similar to other state tax credit scholarship programs, makes it easier to raise funds for the program, and will give more children access. The bill successfully passed the legislature and the Governor signed it into law.

During the legislature's special session, LFC's top priority was securing funding for the Louisiana Scholarship Program, an annual battle. The team successfully added a line-item appropriation of \$39.5 million to fund scholarships for approximately 7,000 students for the 2017-18 school year.

To demonstrate the robust support for school choice, LFC organized its first-ever Private School Choice Day at the state capitol. Students from schools all over the state traveled to Baton Rouge to attend a rally and celebrate Louisiana's three private school choice programs. During the event, a bipartisan group of legislators were recognized for their commitment to providing quality educational options to children.

Despite having to spend a lot of time defending educational choice because of a generally hostile governor, LFC's engaged grassroots advocates and legislative champions continue to secure necessary funding and make program improvements wherever possible.



Mississippi



The 2017 legislative session in Mississippi was mostly consumed by the legislature’s work to reform the funding formula for public school students in the state. AFC sees a great opportunity in this reform to expand school choice and provide quality educational options to even more students. The education funding bill is an ongoing effort, and it will likely be considered again during the upcoming special session in the state.

Despite the limited progress on major school choice expansion, AFC worked with its state ally, Empower Mississippi, and successfully passed a small expansion to the Dyslexia Therapy Scholarship Program to allow students in grades 7-12 to be eligible for the program. Previously, the program was only open to students with dyslexia in 6th grade or younger.



Nevada



AFC and its allied organizations faced an uphill battle in Nevada after the 2016 elections produced an anti-school choice majority in the legislature. After the state’s near-universal ESA program was upheld by the Nevada Supreme Court last year, a bill to create a funding mechanism for the program was necessary but could not pass the new state legislature.

Once it became clear the funding mechanism could not pass, AFC turned its focus to secure additional funding for the state’s Tax Credit Scholarship Program. A \$20 million increase in the cap for the 2017-18 fiscal year was passed. The cap is now \$26 million with the maximum scholarship amount more than \$7,700 for a student.

During this legislative session, AFC and its allies gained a critical new ally in the state when Laborers Union 872, one of the state’s largest unions, endorsed the ESA bill and plans to assist building grassroots support for school choice in Nevada. Their help will be necessary as AFC continues to engage with parents and community leaders to educate them about school choice and activate them to speak with their legislators about the issue.

NEVADA FAST FACTS

Since AFC began work to engage with parents and implement the program,

over 10,000

applications have been submitted for the Nevada Tax Credit Scholarship program.



NORTH CAROLINA FAST FACTS

The state saw a record-breaking number of applications submitted for the Opportunity Scholarship Program with

10,580

applications submitted.

90%

of scholarships from 2016–17 were renewed for the 2017–18 school year, and

8,353

new and renewal scholarships were accepted.

During the legislative session, AFC focused on defending the Opportunity Scholarship Program from potential threats after its historic expansion last year, working closely with its state partner, Parents for Educational Freedom in North Carolina (PEFNC). While the program’s appropriation has an automatic increase in funding for the next 10 years, legislators could take action to remove the provision and deny thousands of children access to quality educational options. PEFNC successfully fended off several attempts to reduce or completely remove funding for the Opportunity Scholarship Program during the legislative session, which was an important victory for North Carolina parents and children.

To further strengthen the Opportunity Scholarship Program, PEFNC worked with legislators to pass a bill that creates a task force dedicated to examining accountability in the program. The task force will determine parameters of future testing of students in the voucher program and ways to assess the effectiveness of the program.

A major win during the legislative session in North Carolina was the creation of a new Education Savings Account (ESA) program for special needs students. After passing the ESA through the General Assembly as part of the state budget, the bill was vetoed by Governor Roy Cooper. The General Assembly then voted to override the veto, creating a new special needs ESA program. Scholarships are capped at \$9,000 per year, and students receiving the ESA can still qualify for other support from North Carolina school choice programs depending on the types of disabilities a student has. The program will begin during the 2018–19 school year with a \$3 million cap.



OHIO FAST FACTS

Nearly
40,000

applications have been submitted for the state's non-special needs school choice programs.



As a part of AFC's Voices of Choice coalition, Sam (left) and Walter (right) who both participated in an Ohio private school choice program visited Washington, D.C. to share their personal stories about the importance of school choice and how its changed their lives.

School choice continues to thrive in Ohio with five private school choice programs serving students from low-income families and those with special needs. AFC successfully advocated for small improvements to two of these programs. During the state's budget negotiations, scholarship amounts for the Cleveland Scholarship and Tutoring Program were increased to match the levels of the state's EdChoice program, a win for Cleveland families. Also, a provision was passed this legislative session that creates a year-round application period for the Jon Peterson Special Needs Scholarship Program, which makes accessing the program easier for parents and students.

This legislative session, AFC also pursued its ambitious goal to combine Ohio's three non-special needs scholarship programs into one all-encompassing program to streamline the application process, create consistent eligibility requirements, and make it less complicated for parents. Unfortunately, a bill to accomplish these goals was stalled by the Senate Education Committee chairman, but AFC worked with supportive House members to have a companion bill introduced that had several hearings before the legislature took its summer break. The bill will be considered again this fall. AFC's Ohio team will continue to advocate for this reform.



The recent decline of gas and oil prices has created difficult political and fiscal environments in Oklahoma. Luckily, AFC worked during the 2016 election season to ensure there was a strong school choice majority in the legislature. While there was a budget deficit in the state, AFC continued to stay focused on its goal of improving programs.

With legislative leadership, AFC helped pass a bill that increased the cap on the Equal Opportunity Education Scholarship Program so it can serve even more students. The scholarship tax credit program currently serves students from low-income families.

The Lindsey Nicole Henry Scholarship Program, a voucher for special needs students, was expanded to include students in foster care, children adopted out of foster care, and adjudicated students.

The AFC team also pursued Education Savings Account (ESA) legislation, which passed through the Senate Education Committee before stalling in the Senate Appropriations Committee. With the unique political environment the state faces, AFC knew this type of legislation would be difficult to pass, but we remain hopeful that the groundwork we have laid will lead to future passage.



TENNESSEE IN THE HEADLINES

THE 74

Tennessee Legislators Seek State's First Voucher Law With Targeted Program for Memphis Kids (MARCH 2017)

Chalkbeat

Tennessee voters want an education-minded governor in 2018, survey says (AUG. 2017)

Chalkbeat

Tennessee cuts ribbon on its first charter school under State Board of Education (AUG. 2017)

The Tennessee legislature continues to take small steps to expand school choice in the state. During this legislative session, a bill was passed to expand eligibility for the Individualized Education Act (Tennessee's Education Savings Account program) and open the program up to all students with a learning disability and an Individualized Education Plan (IEP).

AFC's work over four years on a statewide private school choice bill has gotten us to within a single vote of passage, but a lack of leadership from the House Speaker has made victory elusive. This year, three bills were introduced — a universal Education Savings Account program, a statewide means-tested scholarship program, and a means-tested scholarship program specifically for students in Shelby County (Memphis). All three pieces of legislation were bogged down with disagreements between legislators and ultimately were unsuccessful.

While progress may be slow at the state capital, the grassroots support for educational choice in Tennessee is very strong. Numerous outreach activities have taken place across the state, including parent advocacy trainings featuring calls to legislative offices to voice support for school choice, community meetings with education thought leaders, and events in partnership with AFC's ally, the Southern Christian Leadership Conference (SCLC). In May 2017, AFC began participating in a daily 15-minute radio segment on a Spanish-language radio station to reach out to Hispanic parents, educate them about educational choice options, and eventually encourage them to take action.

★ Washington, D.C.



AFC's strong and effective presence in Washington, D.C., led to a reauthorization and continued funding for the nation's only federally funded voucher program for children in low-income families, the D.C. Opportunity Scholarship Program (DC OSP).

In December 2016, AFC successfully added language into the FY 2017 Continuing Resolution that required the U.S. Department of Education to release \$20 million in previously appropriated carryover funds for new scholarships. The department's previous refusal to release the funds denied new applicants, including siblings of current DC OSP students, the opportunity to participate in the program. These funds are now being used to offer new scholarships to children for the 2017-2018 school year.

After this victory, AFC worked with Congress to reauthorize and fund the DC OSP in the FY 2017 budget bill. When the legislation was passed, the DC OSP was reauthorized for three years with an annual appropriation of \$15 million. The reauthorization also ensured continued annual funding for D.C.'s charter schools.





WISCONSIN FAST FACTS

A recent Wisconsin Institute of Law and Liberty study, using direct comparison models, shows that choice schools and public charter schools outperform public schools when poverty levels and race are put into consideration.

Students who participate in the Milwaukee Parental Choice Program score

2.8 points

higher on the ACT on average compared to their public school counterparts.

Students from schools that participate in the Racine Parental Choice Program and the Wisconsin Parental Choice Program score

6 points

higher on the ACT than traditional public schools.

(MARCH 2017)

TENNESSEE IN THE HEADLINES

AP

The Latest: Income Limits for School Choice to Increase (AUG. 2017)

THE 74

A Reboot for School Choice in Wisconsin as Republicans Propose Dramatically Expanding Charters & Vouchers? (AUG. 2017)

In Wisconsin, AFC's primary focus this year was to pass legislation that reforms and improves private school choice programs and charter schools in the state.

A bill was introduced this legislative session to remove barriers to school participation in private school choice programs and reduce the administrative burden schools face when accepting scholarship program students. Background checks for all employees at voucher schools, increased financial accountability requirements, and increased authority for the Department of Public Instruction to punish schools that make financial misrepresentation were some of the accountability measures added. The bill also changed the funding mechanism for the special needs scholarship program so public schools receive more funding. In total, more than 20 separate school choice-enhancing provisions were included in this bill. The legislation passed with bipartisan support in the Senate and Assembly along with support from Wisconsin private schools and the Department of Public Instruction.

AFC's other top goals this session were to eliminate eligibility restrictions in the new special needs scholarship program to meet the tremendous demand from families and increase the income and enrollment caps for the statewide voucher program. It also pushed to expand geographic boundaries so authorizers could open charter schools in more areas of Wisconsin. Despite challenges, AFC was able to accomplish significant wins, including substantially expanding eligibility for the Wisconsin Special Needs Scholarship program, raising the income eligibility for the statewide parental choice program, and producing considerably more statewide charter authorizers. In total, 16 new school choice provisions were added to the budget. While certain other aspects of this bold agenda were unsuccessful this legislative session, AFC knows progress has been made and the school choice coalition is stronger than ever.



Federal Activities



School choice program alumni, parents and students meet Speaker Paul Ryan during a recent visit to Washington, D.C.

In 2016, AFC launched an aggressive federal strategy to promote school choice in Congress by educating members and staff about the growing momentum and support for school choice and the possibilities at the federal level to facilitate a dramatic expansion of educational opportunity across the country.

In 2017, the AFC team has been working with the Administration and Congressional supporters to pass a K-12 education tax credit. Our team has held dozens of meetings and worked closely with supporters to develop language that can be included in a tax bill and be admissible under the restrictive rules of the U.S. Senate. Congress is currently working on tax legislation.

To support these efforts and further promote school choice nationwide, AFC worked with its Voices of Choice coalition to bring school choice program graduates, the majority of whom are currently enrolled in college, to Washington, D.C., to speak with their members of Congress. The group shared their personal stories about how access to educational options changed their lives and gave them better opportunities to succeed.

Additional Progress in 2017



Maryland



While Maryland is not a target state, AFC was pleased to see continued progress in the state. After passing a small voucher program as part of the 2016 state budget last year, the budget this year provided \$5 million to go toward the program for the 2017–18 school year.



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