



School choice movement can't give grenades to opponents

By John Kirtley
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First, I want to thank Adam Schaeffer of the Cato Institute for his engaged dialogue on the vital subject of tax credit scholarship program design. I also want to say that I have been an admirer of Cato for over a decade, and even attended its wonderful “Cato University” in the late 1990’s.

The main point of my response is this: as someone who is trying to pass, grow and protect parental choice laws in Florida and across the country, I live in the real world of legislation and politics. We are trying to change something that has been the same for 150 years. Those who don’t want change are extremely powerful, well-funded, and have willing allies in the press. We have to fight hand-to-hand legislative and political combat state by state. And we can’t hand our opponents grenades with which to blow us up.

Adam is absolutely correct that you can only drive so much excellence through top-down accountability. Our scholarship organization’s president, Doug Tuthill, and I constantly talk about the “new definition” of public education we would love to see — a transformation from “East Germany” (pre-Berlin Wall fall) to “West Germany.” We see a system where end users allocate resources and choose among many providers and delivery methods – public or private. Of course I understand, as Adam asserts, that such a system will produce better results. I’m a businessman! Or at least I used to be, before this movement took most of my time. But we can’t wave a magic wand and create that transformation overnight. And as in any free market system, there is a role — though many will argue over the extent – to be played by government.

Adam points out there is more fraud and waste in public schools than in scholarship programs. So what? We’re held to a higher standard. It’s not fair, but it’s a fact. In Florida, when stories of public school teachers having sex with students was the topic of Letterman and Leno monologues, one of the most respected newspaper columnists in Florida blasted vouchers because a private school principal took a bunch of young girls unsupervised to Disney World. There weren’t even any scholarship kids at the school. Another newspaper called for the repeal of the tax-credit program because (among other

things) not every school had submitted documentation of their fire inspections. At the same time, the Orlando Sentinel (to its credit) ran an article about public schools in the area that were so out of fire code they had to hire fire marshals to stand watch at them. No one called for those schools to be shut down.

The point is we operate in a zero tolerance environment in Florida. Opponents to choice are desperate for examples that the program isn't being operated properly. They would love to find a family that makes too much money to qualify, or to learn household incomes or sizes weren't documented properly. And it would hurt us if they did.

The Florida program almost died in its infancy because of the actions of some scholarship organizations. One was run by a former drug dealer who — after receiving a donation from a company by mistake — promptly used it to pay overdue bills for his correspondence school. Front-page story in the press. Another group gave out scholarships they didn't have the money for. There are other examples that I won't take the time to cover here. The Florida environment wouldn't tolerate more than 200 scholarship groups taking a 20 percent administrative fee. If our press found problems when there were only seven groups, how many would they find with 200, especially with the lack of regulations Adam proposes?

There is no “mandated monopoly” in Florida’s program. We are the only operator because we are the only survivor. Should we be fortunate to grow to 150,000 students and close to a billion dollars, as Adam predicted, it will be because we operate with zero defects in this demanding environment. Though I am biased, I have a hard time believing there is more risk to the program’s growth by our “market share” than the risk posed by having more than 200 groups involved.

I seem to recall that Cato didn't approve of the government's investigation of IBM and Microsoft's “monopolies.” Time proved that disapproval prescient. Anyone can start a scholarship group here. For a while they did, and the results weren't pretty.

Adam raises concerns about means testing. This topic is always under discussion within our movement. I respect the universalist position, but I didn't dedicate myself to this movement to help people who can already make a choice for their kids. Because of political and constitutional constraints in Florida, we can't offer a voucher program with wide eligibility. According to the Florida Department of Education, 56 percent of our kids qualify for free or reduced Lunch — that's almost 1.5 million children. That's probably high because they don't have to document household size and income like we do. But let's say it's a million kids. We can't serve all of those kids now, not by a long shot. We can't even serve all the poor families who are currently interested. Who would you kick out?

Adam says individual tax credits are “relatively difficult” in Florida, since we have no state income tax. Yes, I'll say. To his credit, Adam brainstormed the idea of trying to capture the huge sales taxes individuals pay, which should pass constitutional muster.

Ironically, the only way this idea could ever have a chance of being implemented is if a few big retailers worked with one large scholarship provider.

I have nothing against individuals getting a tax credit for their own children's private school tuition. But that's a different policy objective. Poor families don't pay enough in state taxes for that amount to empower them. I have no problem with individuals getting a credit for giving to scholarship funds. Of course not! What I do have a problem with is people being able to restrict donations to a single student, a single school, or a single religion.

The IRS doesn't allow donations to be earmarked to a single student, so that's settled. Why not allow a school-focused fund? My motivation is to empower low-income and working-class parents to pick the best school for their kids, and to choose from all qualified schools. Laws allowing single-school scholarship-funding organizations allow the schools who are best at fundraising to garner more funds, and scholarships aren't portable. What if the school isn't a fit for a kid? Too bad. What if an inner-city school with a 95 percent graduation rate isn't a good fundraiser? Too bad, kids can't go there. Single-school programs can end up being excellent tuition assistance programs for schools, but not parent empowerment programs. Again, perhaps admirable, but a different policy objective.

Why not a single-religion scholarship fund? I know the U.S. Supreme Court says it's okay for a fund to discriminate by religion, but is it smart for the movement if this happens? What if the Catholic fund raises most of the money? Or the Jewish fund? Or, to play out choice opponents' dreams, the Muslim fund? Do you think the capable (some may say ruthless) opponents to choice won't make the most of such an occurrence? Even Hillary Clinton played the Muslim card in justifying her objection to parental choice. Do you really think that legislators are strong enough to deal with a front-page story about that?

There are states, like Arizona, where the political and press environment are such that a scholarship program can exist with little regulation (though even the pro-choice Arizona Republic blasted the program for its abuses). But if the movement hopes to spread choice to a large number of states, a *laissez faire* approach will fail. I will be very interested to see if the Georgia program grows, now that it has reached its initial cap. The *New York Times* hit piece is already being used to fight the effort to pass a bill in North Carolina. Will it kill it? I don't know, but it's sure not making it any easier. That's the real world parental choice advocates live in.