Accountability in Private School Choice Programs

BY JOSH CUNNINGHAM

While many legislatures continue to debate whether private school choice is appropriate in their state, 23 states, the District of Columbia and a school district in Colorado have already determined they want to provide support to public school students seeking a private school education. In many of these states, legislators are looking for academic accountability policies that ensure students are receiving a high quality education without stifling school innovation and autonomy that form the cornerstone of an effective school choice program.

There are differing opinions on how best to hold private school choice programs accountable. Some believe private schools participating in these programs should be held to the same academic accountabil-
ity standards as public schools because they are all competing for the same students and resources. Others believe that uniform government standards will force all schools, public and private, to teach the same material rather than allow private schools to provide an array of alternative learning environments that offer innovative teaching philosophies and unique school cultures. Those wary of excessive government oversight believe parents can provide far better accountability with their feet by choosing to send their children to schools that meet their needs and abandoning those schools that do not.

Finding a middle ground between these two perspectives has proven challenging in legislatures across the country. This brief explores some of the innovative accountability policies states have implemented and what policy options exist for legislators looking to sustain high quality school choice programs.

Overview of Private School Choice

Private school choice has emerged in four different forms:

- Traditional school vouchers
- Education savings accounts
- Scholarship tax credits
- Personal tax credits/deductions

TRADITIONAL VOUCHERS

School vouchers are state-funded scholarships that pay for students to attend private school rather than public school. The size of each scholarship is typically defined in statute as a specific dollar value or the price of the private school tuition a student chooses — whichever is less. Students who receive the voucher are entitled to the full amount permitted by the law. Private schools must meet minimum standards established by legislatures in order to accept voucher students. Legislatures also set parameters for student eligibility that typically target subgroups of students. These can be low-income students who meet a specified income threshold, students attending chronically low performing schools, students with disabilities, or students in military families or foster care.

EDUCATION SAVINGS ACCOUNTS

Education savings accounts are special savings accounts that states establish for qualifying parents where state funds are deposited for the purpose of paying for certain educational expenses, most notably private school tuition. Parents receive a debit card tied to the account that can be used to pay for goods and services such as textbooks, private tutoring and supplemental online courses. In exchange for the funds, parents agree not to send their child to a public school, including charter schools. The result is that parents spend the funds primarily on private school tuition. Parents receive the maximum grant allowed by statute regardless of the cost of private school tuition. After the tuition is paid, any remaining funds can be spent on other qualifying expenses or often can be carried forward to the next year.

SCHOLARSHIP TAX CREDITS

Scholarship tax credit programs allow individuals and corporations to allocate a portion of their owed state taxes to private, nonprofit
scholarship granting organizations that award scholarships to participating students. The scholarship allows a student to choose among a list of private schools—and sometimes public schools outside the district—that have been approved by the scholarship organization. The scholarship can be used to pay tuition, fees and other related expenses. As a result, the state need not appropriate per-pupil education funding for those students who receive scholarships. While state statute often establishes a scholarship’s maximum dollar value, scholarship organizations are not required to award the full amount allowed, and in many states the average scholarship awarded is much less than the maximum. While scholarship tax credit programs are similar to traditional vouchers in that they often target subgroups of students largely based on household income or proximity to low performing schools, typically a larger pool of students qualify for scholarship tax credit programs than voucher programs.

PERSONAL TAX CREDITS

Some states offer tax breaks to parents as a form of reimbursement for private school tuition and related expenses. These tax policies are designed to make private school more affordable for low and middle-income families. Such benefits, however, may be less attractive to low-income families who pay fewer taxes.

Why Accountability Matters

In general, legislators and the people they represent tend to prefer programs that rely on some sort of government investment or expenditure to have systems in place ensuring taxpayer funds are spent efficiently and with positive effect. In other words, the public wants to know if a program is doing what it is supposed to do at a reasonable cost.

The specifics of how to measure program performance can be complicated. Imposing requirements to track and report program data allows legislators to make informed decisions relating to that program. On the other hand, overburdening stakeholders with tracking and reporting requirements can impact the speed and quality of how a program is administered – not to mention that all required reporting must be received and processed by state officials, adding to the overall cost of implementing a program. Policymakers aim for accountability systems that give a clear picture of how a program is performing while minimizing the burden on those implementing it.

Private School Choice Accountability

Accountability policies that oversee the performance of private school choice programs primarily focus on setting standards private schools must meet in order to accept participating students. Additionally, states may choose to collect and evaluate performance data on students participating in a school choice program. While every state with a private school choice program enforces some level of accountability, states vary widely in what they require from private schools.

SCHOOL PARTICIPATION STANDARDS

Every state with a private school choice program sets parameters for participation. Nearly all states with private school choice include the following parameters to some extent:

- Ensure school quality, whether through requiring student assessments or official accreditation.
- Ensure a private school’s financial strength and sustainability.
- Require schools to adhere to state seat-time requirements.

There is a wide range of additional accountability standards that states have imposed on schools wanting to participate in a private school choice program:

- Score or grade private schools based on the state public school accountability system.
- Require private schools to adopt and publish school discipline policies.
- Require schools to meet minimum student performance goals or risk losing eligibility to participate in the program.
Many private schools and some school choice advocates caution states against imposing too many accountability requirements because they create additional administrative burdens on private schools and may keep some schools from participating. It can also be argued that over-regulation of private schools can restrict their autonomy and ability to innovate.

**STUDENT ASSESSMENTS**

One of the most debated areas of private school choice accountability is whether to require private schools to administer state assessments to participating students. Doing so is the most effective way to compare public school students who are required to take such exams with those who receive vouchers or other state-supported private school scholarships. This apples-to-apples comparison allows legislators to better understand whether a private school choice program is improving overall student achievement across the education system – a key tenant of applying free-market competition to public education. States like Indiana, Louisiana and Wisconsin require all choice students to take their respective state assessments.

Many private schools object to testing mandates. Existing curricula in many private schools are not aligned with state assessments, meaning the exams may not accurately reflect what students have learned. They argue that state testing mandates, especially those with high-stakes, will force them to align their curriculum with the tests, weakening a private school’s ability to innovate and differentiate itself from competing schools. The National Association of Independent Schools contends that private schools have the flexibility to offer their own assessments, which measure student learning and growth more comprehensively than do current state assessments. That said, many states are developing new assessments they anticipate will better measure students’ comprehension of material and critical thinking skills.

Eight states have sought a middle ground in the assessment debate by allowing private schools that accept voucher students to administer a nationally norm-referenced exam as an alternative to the state assessment. Florida allows private schools participating in the scholarship tax credit program to choose from a list of private nationally norm-referenced exams, or they can choose to administer the state assessment. Test results are reported to researchers at the University of Florida where they are tabulated and released in an annual statewide report on the program. Schools do not have to report test score data to the state and they cannot be rated publicly based on the test scores. While allowing alternative testing gives private choice schools more flexibility in their curriculum, many of the reputable norm-referenced exam providers are realigning their math and reading sections to the common core state standards. This means that many of the available assessment alternatives will be testing students on similar math and English language arts content as most state assessments. This may not be the case for other content areas like science, history and social studies, which are not part of the common core state standards.

**Accountability with Consequences**

With any accountability policy, there are typically consequences for not meeting the state’s performance expectations. These often include either banning a low performing private school from accepting new choice students or banning a private school from participating altogether.

**Louisiana:** Schools participating in Louisiana’s voucher program are scored on the Scholarship Cohort Index based on state assessment scores from students receiving choice scholarships. Schools that receive a score under 50 are not allowed to admit new choice scholarship students the following year (a school’s first year of participation is exempt). A score below 50 aligns with the performance level at which public schools in Louisiana receive an F under the state school grading system. Private choice schools in Louisiana are not assigned letter grades like public schools, however, because a letter grade would reflect on a private school’s entire student population when only the choice scholarship students are being measured. Not every private choice school receives an SCI score. Only those that have a minimum of 40 students receiving a voucher from the Louisiana Scholarship Program are assigned an SCI score. The SCI score only counts students receiving traditional vouchers, not those participating in Louisiana’s scholarship tax credit program.

**Indiana:** Most private schools in Indiana are required to administer the state assessment and are graded according to the state school grading system. While there are exceptions for some private schools, all schools accepting choice students are required to give the state test to all enrolled students and receive a grade in the same manner as public schools. The state assigns each school a grade or score based on a number of performance factors including state assessment scores, student growth, and college and career readiness. Private schools that receive school grades of D or F are not allowed to accept new choice scholarship students until they can score a school grade of C or higher. The longer a private school performs poorly the longer it must show improved scores before being allowed to accept new choice students again. Indiana is the only state that applies the same performance mea-
sure on both public and private schools, creating a level playing field from which parents can choose the highest quality schools. This measure is only applied to schools participating in the traditional voucher program. No such requirement is imposed on schools participating in Indiana’s scholarship tax credit program; although schools can enroll a mix of students from both programs in which case they would have to comply with voucher program accountability requirements.

**Wisconsin:** Private schools participating in any one of Wisconsin’s traditional voucher programs are required to maintain accreditation from a statutorily approved accrediting agency. If a school loses accreditation it is required to immediately notify the state superintendent and will be removed from the program at the end of the current school year. The school will remain barred from the program until it receives accreditation from a different accrediting agency other than the one that initially revoked the accreditation.  

**SLIDING SCALE ACCOUNTABILITY**

A sliding scale accountability system is one that imposes varying degrees of accountability on private schools based on the number of private choice students enrolled in a particular school. Under such a policy, a private school receiving only a small amount of revenue from public sources would have minimal transparency and accountability obligations. Private schools that receive larger amounts of public funding would have to comply with stricter accountability measures and would face harsher penalties for low performance.

Louisiana’s school voucher accountability policy, which has two tiers of accountability, is an example of this to some extent. Schools with fewer than 40 choice students are not assigned an SCI score nor are they subject to performance-related sanctions. Those with more than 40 students are assigned an SCI score and can be restricted from enrolling new choice students if they receive a low score. This accountability threshold is partly motivated by privacy concerns associated with releasing test scores from a small number of students.

**Relying on Free-Market Accountability**

Many private school choice advocates believe the ability of parents to choose the school that best fits their child’s needs is a more effective way of ensuring private schools provide a quality education. Schools will strive to provide the best education possible or risk losing students, and the funding tied to them, to competing schools. Additionally, a standard legal definition of what a quality school means may not account for the individual needs of students and parents. Parents choose schools for a number of reasons including school culture, safety and special programs offered. A school’s overall performance on math and reading tests compared to the rest of the state may matter less to some parents than a school’s culture, security or special programs offered.

Arizona and Oklahoma have both embraced the belief that parents are better at judging school quality than the state. They have no testing requirements for private schools participating in their respective choice programs nor do they measure academic performance in any other way.

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**Legislative Policy Options**

- Create initial participation requirements that private schools must meet before accepting choice students. These can include:
  - Requiring schools to apply to the state for approval or accreditation that includes a review of the school’s academic rigor and performance.
  - Requiring independent accreditation by a qualifying private school accrediting agency, as determined by the state.
  - Requiring schools to provide documentation of financial sustainability.
  - Requiring schools to be operating for a defined period of time prior to participation in the choice program.

- Develop a measure for the academic performance of participating private schools that includes factors such as student proficiency, student growth, student retention, graduation rates, remediation rates, etc.
  - States may want to consider whether to apply the measure to the entire private school or only measure the students receiving choice scholarships.

- Grade or score participating private schools using the same measure used for public schools in the state.

- Define consequences for poor private school performance, such as:
  - Prohibiting a school from accepting new choice students but allowing current choice students to stay enrolled if they choose
  - Banning a school from the program altogether and requiring current choice students to enroll in another school

- Establish a process for re-entry into the private choice program following sanctions for low performance.

- Make participating private schools publicly disclose various types of school information and policies, such as:
  - School performance data – test scores, retention rates, graduation rates, etc.;
  - A written school discipline policy;
  - Tuition rate and financial aid options, or;
  - Transportation options available to students, if any.

- Limit testing requirements, reporting requirements and state-imposed performance sanctions while ensuring parents have access to the necessary school information to make informed school choices.
Endnotes


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