

Think Twice

Special Education Vouchers Are Not All Right

by Andrew J. Rotherham and Sara Mead

As policymakers on Capitol Hill wrestle with reforming the Individuals with Disabilities Education Act (IDEA), congressional Republicans and a host of conservative think tanks are vocally promoting school vouchers as a potential model for reform.¹ After bipartisan consensus on the No Child Left Behind Act in 2001 and the Education Sciences Reform Act in 2002, apparently it is back to business as usual, with Republicans proposing school choice as a panacea for all manner of educational problems. In addition to believing that school choice invariably drives innovation, voucher proponents also argue that parental satisfaction should be the ultimate arbiter of school performance. That's why they see school choice as the most logical reform for the nation's complicated and troubled special education system.

Expanding choice and customization in education is a vital debate and the Progressive Policy Institute staunchly supports public school choice, public charter schools, and other publicly accountable choice options. However, the push for vouchers in special education is driven more by a political agenda than any specific special education reform issue. In fact, it is likely that special education vouchers would work at cross-purposes with other IDEA reforms that many Republicans and moderate Democrats support.

A little-known initiative in Florida has emerged as the basis for national proposals to expand choice in special education. Florida's McKay Scholarship program gives parents of children with special needs a voucher that they can use at a public or private school of their choice. (The program is named for former State

Senate President John McKay, who was instrumental in its creation and is himself the father of a child with a disability.) When the House of Representatives considered its version of IDEA reform, two amendments based on the McKay model were defeated.² Currently, special education already operates as a de facto choice program for some parents, and not without considerable abuse.³ Whether or not Congress adds a voucher component to IDEA, states today have the option of creating their own state-level McKay-like programs, which conservative policy analysts have urged them to do.⁴ Nonetheless, the idea is sure to emerge during Senate debate and as the IDEA reform bill moves forward.

But before policymakers embrace the relatively new McKay program as a national model for IDEA reform, it is worth taking a closer look at how McKay is working in practice and what early lessons that experience offers policymakers. Further, it is important to consider how voucherizing special education would interact with larger IDEA reform issues identified by multiple analyses as major special education problems.

This paper analyzes the history and structure of the McKay program, available information on participating schools and students, and the likely impact of vouchers in IDEA. We conclude that using IDEA reauthorization as subterfuge for advancing school vouchers is ill considered, both on its merits and timing. The McKay program in Florida appears to be functioning exactly as one would expect a private school choice plan to work. Unfortunately, while this earns the program high marks among voucher supporters,

it gets a low grade as an effective special education reform. Although IDEA needs changes to better integrate it with emerging school choice options in many states, special education vouchers are a seductively simple approach. While potentially addressing some special education problems, these vouchers will create other problems and increase, rather than decrease, perverse incentives for parents and educators in special education.

In addition, vouchers fail to deal with serious core problems of IDEA that numerous policy analyses have identified and that the House IDEA bill, H.R. 1350, takes steps to address.⁵ In fact, rather than advance these reform efforts, special education vouchers threaten to erode the bipartisan consensus that has emerged for special education reform and complicate efforts to pass a significant reform bill.

Background on McKay Scholarships

Originally created as a pilot program in Sarasota County, Fla., for the 1999-2000 school year, the McKay Scholarship program for students with disabilities was expanded statewide the following year and has since grown to serve some 8,000 students in 39 of Florida's 67 counties in 2002-03.⁶ Despite rapid growth in its three-year existence, the program currently touches only about 2 percent of Florida's 374,834 special education students, and comprises roughly 2 percent of known private school enrollment in the state.⁷

Under the McKay legislation, any parent of a child with a disability who is *unsatisfied* with the child's progress may transfer the child to another public school in the district or an adjoining district, or request a scholarship (voucher) to enroll the child in a private school.⁸ Florida provides school districts additional funding for special education students based on a "matrix" amount that reflects the level and cost of services a student needs. This system makes it possible to attach special education funding to individual students and transfer funding from the district to the students in a way that is revenue-neutral and provides

larger amounts for students with more severe needs. For McKay students, the state writes the parents a check for the matrix amount, plus the student's share of per-pupil general and categorical funds, and the parents sign the check over to the private school. Scholarships cannot exceed the cost of tuition and fees at the private school. In 2002-03, McKay Scholarship amounts range from \$135 to \$21,326. The median scholarship is \$6,808, slightly above the average per-pupil expenditure for all Florida students of \$6,512 but below most cost estimates for average special education costs.⁹ The vast majority of families receiving scholarships supplement this amount; in 2001-02, 83 percent of McKay Scholarship families paid tuition or fees above the amount of the scholarship.¹⁰

Any child with a disability who has an individualized education plan (IEP) and has been enrolled in a Florida public school the previous year is eligible to receive a scholarship. To qualify, children must be admitted to a participating private school, and parents must inform the local school district prior to enrolling the child in the private school.¹¹

Private schools that wish to accept McKay students must register with the Florida Department of Education. To be eligible, a private school must demonstrate fiscal soundness;¹² meet state and local health and safety codes; employ teachers with at least a bachelor's degree, three years of teaching experience, or special knowledge and expertise qualifying them to work with disabled children; and adhere to published disciplinary procedures for expelling McKay students. Further, participating schools may not discriminate based on race, color, or national origin, although they may otherwise accept or reject students as they see fit. While the law requires participating private schools to be "academically accountable to the parents for meeting the educational needs of the student," McKay students and their schools are not required to participate in the Florida accountability system and parents waive their rights under IDEA when they participate in the program.¹³

What Conclusions Can We Draw From the McKay Model?

A national survey of parents of special education students conducted in 2002 by Public Agenda and co-sponsored by the Progressive Policy Institute and the Thomas B. Fordham Foundation found that a substantial minority of parents have serious frustrations and concerns about securing the services their children need.¹⁴ The popularity of the McKay program also suggests that there is parental dissatisfaction with the current system of special education in Florida. The sheer number of parents willing to waive their rights under IDEA is itself a powerful vote of no confidence in the current system. Moreover, although critics of the McKay program have been quick to point out problems with some private schools McKay students attend, it is worth noting that, even when confronted with school closures, most parents have opted for other private options rather than returning their children to public schools.¹⁵

Nonetheless, based on what we can tell from early experience with the McKay program, there are several reasons for concern that these vouchers may exacerbate problems in special education. In contrast to advocates' claims that the program works best for students who are hardest to serve (by allowing them to access special schools designed to meet their unique needs without obtaining private placements through IDEA), the McKay program primarily serves students whose disabilities require less intensive services. In fact, the program particularly serves students diagnosed with specific learning disabilities disproportionate to their overall representation in Florida's special education population.¹⁶ This suggests the program is unlikely to improve—and may even exacerbate—perverse incentives for over-identification, which have emerged as a major issue of concern for the current reauthorization of IDEA. In addition, the McKay program's lack of public

accountability for student outcomes is insufficient as a model for federal policy.

Who Is Served?

Roughly 8,000 students, or 2 percent of special education students in Florida, receive McKay Scholarships.¹⁷ McKay students also account for about 2 percent of Florida's private school enrollment. Racial and ethnic composition of McKay recipients is similar to Florida special education students generally, although a larger percentage of McKay students are Hispanic. Forty-nine percent qualify for free or reduced-price lunches, compared to forty-four percent of all students in Florida.¹⁸ McKay students are concentrated in Florida's seven largest counties (Broward, Miami-Dade, Duval, Hillsborough, Orange, Palm Beach, and Pinellas), which account for 70 percent of total recipients but only one-half of Florida special education students. Twenty percent of McKay students are in Miami-Dade County alone. It is also worth noting that these districts have higher percentages of African American, Hispanic, and disadvantaged students than the state as a whole.

The McKay program classifies students into "matrix" levels that determine scholarship payments based on the severity of disability diagnosis and intensity of services required: About one-half of recipients are in the first (least severe) level, one-third in the second, slightly over 10 percent in the third, 5 percent in the fourth, and 2 percent in the most severe level. Because Florida no longer uses the same matrix system to determine payments for special education students who remain in public schools, it is difficult to make comparisons based on matrix levels.¹⁹ However, disability diagnosis can provide a proxy for intensity of services required. More than one-half (53 percent) of McKay students are diagnosed with specific learning disabilities, compared to 45 percent of all special education students. Only five other diagnoses—emotionally handicapped, lan-

guage impaired, educable mentally handicapped, speech impaired, or other health impaired—comprise more than 2 percent of McKay students and, combined with specific learning disabilities, account for over 90 percent of students in the program. The appendix at the end of this paper details participation statistics for the McKay program.

Supporters of the program argue these statistics show that McKay participants are relatively representative of Florida special education students overall, disproving critics' concerns that voucher programs will "skim" the students who are easiest to serve. There are three problems with this argument, however.

First, voucher advocates argue that McKay is an improvement over existing special education programs because it allows parents of children with severe, unmet needs—who often end up attending highly specialized private schools anyway—to transfer their children to private schools without enduring the cumbersome processes of IDEA or the potential litigation battles with districts reluctant to provide costly private placements. Therefore, if the McKay program is working as proponents argue, its demographics should not mirror those of Florida special education students generally, but the program should see a higher representation of students with *the most severe needs*. Instead, students with severe, high-cost needs actually participate in McKay in very small numbers. While 2 percent of all Florida special education students use McKay Scholarships, less than 1 percent of those who are deaf or hard of hearing, visually impaired, or profoundly mentally handicapped receive McKay benefits.

For the small percentage of special education students whose severe needs require private placements, in most cases McKay is actually a less appealing alternative than what is already available through IDEA. Even the most generous McKay Scholarships of \$21,326 do not approach the price of many high-cost placements, while IDEA requires school

districts to pay the full costs of private placements when needed. The process of obtaining private placements through IDEA is a complex one; parents often encounter opposition or make inappropriate claims that lead to drawn-out legal battles that take a toll on families and school districts. Yet, this is an argument for simplifying and improving the current system of handling IDEA disputes and private placements, and for specific policies targeted to the small percentage of students with severe needs requiring private placements, rather than simply adding a universal voucher program to IDEA.

Second, it is also unclear the McKay program is as representative of disabled student populations as proponents contend. Less than 1 percent of students with the most severe disabilities participate in the McKay program, in contrast to the overall participation rate of 2 percent of Florida's special education population. At the same time, students with specific learning disabilities, who comprise more than one-half of the program's enrollment, appear to participate at a higher rate than the average of all Florida special education students. Because the program is new, rapidly growing, and still serves a relatively small number of students, these early numbers should be interpreted with caution. However, because over- and misidentification of students with specific learning disabilities is a serious concern in special education and these students comprise more than one-half the McKay population, this is an issue requiring further attention and monitoring as the program grows, and is a red flag as policymakers consider incorporating vouchers into special education more generally.

Finally, the geographic distribution of McKay students is a cause for concern. As with other school choice initiatives, McKay participation patterns seem to indicate that there are substantially more options available for students in larger communities. In terms of the charter school and voucher debate, this is less of a problem because low-performing schools are more likely to be found in urban settings. However, disabilities are

more randomly distributed and special education challenges confront schools in all types of communities.

Access to and Quality of Private Schools

Because private schools participating in the McKay program are exempt from state accountability systems, debate about their quality has largely relied on anecdote. Supporters highlight students thriving in special private schools created to serve disabled students, while detractors focus on high-profile scandals involving malfeasance by private school personnel or schools created specifically to obtain McKay funds.²⁰ Neither characterization accurately represents the majority of participating private schools.

Currently 547 schools, about 30 percent of Florida's private schools, are registered to participate in the McKay program, although only 464 actually enroll McKay students. While the majority of registered schools are religious, 40 percent are non-sectarian. More than one-half of participating schools serve both elementary and secondary students, 40 percent serve only preschool or elementary, and a small percentage serves only secondary students. Not surprisingly, participating private schools tend to be concentrated in larger urban districts where, generally, higher percentages of K-12 age students are enrolled in private schools. In contrast, 12 smaller counties have no participating private schools.²¹

Despite the examples cited by supporters, most participating private schools are not "exceptional child education" schools designed specifically to serve children with special needs—Florida has only 22 such schools and McKay Scholarships would cover only a fraction of the tuition at most of them.²² And because participating private schools are not bound by free appropriate public education (FAPE) and IDEA reporting and accountability requirements, little information is available on what kind of special education services, if any, they provide. Voucher supporters argue that many children in the McKay Scholarship program

are able to succeed without the aid of such services because private schools provide higher quality instruction, in particular the use of scientifically based reading curricula and smaller class sizes.²³ While undocumented, this claim raises serious questions about the McKay model. Because of the evidence indicating that special education over-identification is in part an outgrowth of curricular and teaching shortcomings in general education, any special education reform that is remedial rather than preventative exacerbates rather than addresses this problem.

Perverse Incentives

There are serious over-identification problems with special education. This is especially evident with regard to African-American students and in subjective diagnoses such as learning disabilities.²⁴ Research suggests that many students are placed in special education because of instructional shortcomings rather than genuine special needs.²⁵ Over-identification of students with specific learning disabilities, whose numbers have grown 233 percent since 1976-77, is a significant cause of the increase in special education enrollment from 10.6 percent to 12.3 percent of students in the past decade and the high, rising costs of special education.²⁶

Considering the evidence of over-identification, the negative consequences of misdiagnosis for students, and the fiscal consequences for schools and governments, this problem demands attention and remedy. It is not clear, however, that voucherizing special education is an effective or desirable means of reform.

Supporters argue that offering special education students vouchers will reduce over- and misidentification by eliminating financial incentives for public school districts to identify children with special needs. Instead, special education vouchers may actually exacerbate the over-identification problem by creating a new incentive for parents to have children diagnosed with a disability in order to obtain a voucher. In fact,

if special education identification led to funding for private school attendance, it would be unusual if this did not create an incentive to participate in special education in many communities, particularly those with low-performing public schools. For example, Washington, D.C., and New York City currently contend with substantial abuse of special education by affluent parents. In addition, there are reports of parents seeking to have their students diagnosed with learning disabilities in order to gain accommodations on the SAT or for other reasons.²⁷ And, some educators might also have an incentive to diagnose disruptive or low-performing students as disabled and provide them vouchers to transfer to another school as a way to sidestep accountability measures or deal with difficult children.

Special education funding systems that provide schools or districts with additional funds for special education students on a per-student or per-diagnosis basis may create an incentive for educators to over-identify children to obtain additional funding. A recent analysis comparing growth in special education placement across states with different special education funding systems, while far from definitive, shed some light on this phenomenon.²⁸ Because of concerns about these incentives, the federal government now allocates special education funds using an “identification neutral” formula based on population and poverty rather than number of students identified for special education programs. Additionally, 16 states now provide special education funding to school districts on an identification-neutral basis as well.

Yet the very identification neutrality that many special education reform advocates seek is at odds with the notion of an individualized special education funding system through vouchers. Florida’s matrix system for funding special education is not identification neutral, but funds school districts based on the number of students with disabilities and the severity of disability. This approach makes attaching special education funding to individual children and transferring funds from the

district to a McKay voucher relatively straightforward. This process would be much more complicated in an identification-neutral system. To allocate sufficient funding to make a special education voucher program work for a wide range of special education students, funding would either have to be increased far beyond any proposals under consideration, or identification type and numbers must be taken into account.

Florida is also an unusual model to address over-identification concerns. Overall, the 15 percent of Florida students in special education, is higher than the national average of roughly 12.8 percent. And, since 1999-2000, the first year of the McKay program, the rate at which children are enrolled in special education has continued to increase apace with previous years.²⁹

More fundamentally, while over- and misidentification is a serious concern, creating incentives for educators not to identify students with disabilities is also troubling. There is evidence that a substantial number of children who *do* have disabilities are not being diagnosed or served, causing adverse consequences for these students.³⁰ Assuming that the potential fiscal loss from special education vouchers would reduce the incentive for educators to identify children for special education, is creating such an incentive sound policy? Instead, the goal pursued through special and general education policy should be to identify the *right* students for special education rather than simply identifying more or less than we do now.

Accountability

A key recommendation of the President’s Commission on Excellence in Special Education is to increase parental empowerment and school choice in special education. The president’s commission also emphasized the importance of accountability: “IDEA should allow state use of federal special education funds to enable students with disabilities to attend schools or to access services of their family’s choosing, *provided*

states measure and report outcomes for all students benefiting from IDEA funds” [emphasis added]. This is something that both the McKay program and special education voucher proposals in Congress assuredly do not do.³¹

Schools accepting McKay Scholarships are not included in Florida’s state accountability system nor are they required to assess their students. The McKay law instead requires participating private schools to be “academically accountable to the parents for meeting the educational needs of the student.” This vague definition of accountability may reflect the view of many voucher supporters that only parental satisfaction matters for educational accountability; however, it is at odds with the principles of No Child Left Behind, IDEA, and most state accountability systems.

There is an emerging consensus about the importance of accountability in education, particularly with regard to traditionally underserved populations.³² If special education students transfer to private schools not included in accountability systems, states and schools need not be embarrassed by evidence that they are failing to either serve disabled students or address the difficult task of including them appropriately in accountability schemes. More importantly, the reality is that parents of special needs children should have more, not less, support in evaluating and accessing educational options for their children. In fact, many parents of special needs students feel schools provide too little information, requiring parents themselves to become experts on their children’s conditions and actively advocate to ensure they get the help they need. A full 70 percent of special education parents think that too many children with special needs lose out because their parents do not know what help their children need or deserve.³³

Conclusion

Aside from conceptual problems with special education vouchers, the McKay program, albeit new and offering only preliminary evidence, nonetheless raises red flags. It appears that the program is working

very much as we would expect a private school voucher program to work. Unfortunately, in important ways, this means that special education vouchers work at cross-purposes with efforts to address major special education problems.

The IDEA, and special education more generally, has serious shortcomings. Poor student outcomes, a lack of real accountability for results, over- and misidentification of students—particularly minority students, excessive paperwork, student discipline issues, expanding and unchecked costs, costly litigation, and a dearth of qualified teachers plague special education.³⁴ The U.S. House of Representatives-passed IDEA bill, H.R. 1350, takes substantial steps to try to address many of these problems, all of which raise thorny policy questions and legitimate competing claims. However, special education vouchers fail to seriously address any of these problems and instead are likely to exacerbate some.

There is abuse of special education private placements by affluent parents, and the ability to secure a private placement appears to be related to parental affluence and savvy. But rather than working to address these problems, advocates for special education vouchers seem to be arguing that a better policy is to ensure that *all* parents should have the same rights to abuse IDEA to obtain private school tuition as affluent parents now enjoy. Simultaneously, proponents argue that special education vouchers would make public school administrators less likely to identify students for special education because of the potential loss of funds if parents elect to send their children to private schools. During the past two IDEA reauthorizations, policymakers have endeavored to lessen the adversarial nature of special education decisionmaking at the school level. It makes no sense to take steps that would increase rather than decrease adversity and work against efforts to curb over-identification.

This does not mean that IDEA does not need changes to enhance educational choice for parents. Special education should be made more “choice-friendly” to take into account emerging choice options in many

communities, particularly public charter schools. Dr. Paul Hill characterized federal education programs as being like “Ice 9,” the fictional Kurt Vonnegut element that freezes everything it encounters.³⁵ This is especially true with regard to IDEA’s relationship with most public charter schools and public choice programs. H.R. 1350 contains several provisions intended to help public charter schools deal with these issues.

In addition, initiatives to serve the most severely disabled students, who often need private placements because of the breadth and intensity of the services they need, have real promise. The PPI-Fordham Foundation special education report recommended that the federal government pay the entire cost of educating the most severely disabled students and give their parents the ability

to choose services unilaterally while preserving the public obligation to be a provider of last resort. Similarly, Rep. Ron Kind (D-Wis.) and Sen. Patty Murray (D-Wash.) have both proposed ways to improve financing at the state level for students with high-cost but low-incidence disabilities.³⁶

Congress is taking bipartisan action to improve special education based on substantial research and policy analysis. H.R. 1350 is a solid step toward improving IDEA, and prospects for reform in the Senate are encouraging. But conflating the ongoing debate over school vouchers with special education reform threatens to imperil or undermine these efforts. A vigorous debate about school choice is important, but using IDEA as the subterfuge for it, while good politics, makes for lousy policy.

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Appendix: Student Demographics of the McKay Scholarship Program

Table I: Percentage of McKay Scholarship and All Special Education Students in Florida in 6 Most Common Diagnoses. Source: Florida Department of Education data.

Exceptionality	McKay Students with Diagnosis	Students with Diagnosis as Percentage of McKay Participants	Florida Total with Diagnosis	Students with Diagnosis as Percentage of Florida Special Education	McKay Participation Rate of Students with Diagnosis
Specific Learning Disabled	4,080	53.37%	170,171	45.40%	2.40%
Emotionally Handicapped	707	9.25%	30,517	8.14%	2.32%
Language Impaired	647	8.46%	34,331	9.16%	1.88%
Educable Mentally Handicapped	592	7.74%	29,521	7.88%	2.01%
Speech Impaired	555	7.26%	55,444	14.79%	1.00%
Other Health Impaired	409	5.35%	7,978	2.13%	5.13%
Autistic	146	1.91%	5,293	1.41%	2.76%
Severely Emotionally Disturbed	122	1.60%	7,112	1.90%	1.72%
Trainable Mentally Handicapped	112	1.47%	8,809	2.35%	1.27%
Orthopedically Impaired	81	1.06%	4,932	1.32%	1.64%
Developmentally Delayed	63	0.82%	1,0162	2.71%	0.62%
Hospital/Homebound	54	0.71%	2,569	0.69%	2.10%
Deaf or Hard of Hearing	29	0.38%	3,097	0.83%	0.94%
Traumatic Brain Injured	21	0.27%	495	0.13%	4.24%
Unknown	>10	0.12%	N/A	N/A	N/A
Visually Impaired	>10	0.10%	1,166	0.31%	0.69%
Profoundly Mentally Handicapped	>10	0.10%	3,025	0.81%	0.26%
Occupational Therapy	**	0.01%	N/A	N/A	N/A
Dual-Sensory Impaired	**	0.01%	53	0.01%	1.89%
Established Health Conditions	N/A	N/A	159	0.04%	N/A
Total	7,645	100.00%	374,834	100%	2.04%

**Number is too small to report without compromising privacy.

Table II: Racial and Socioeconomic Background of Special Education and McKay Scholarship Students in Florida. Source: Florida Department of Education data.

Race	McKay Scholarship Students	All Florida Special Education Students
White	49.99%	52.81%
Black	28.21%	28.73%
Hispanic	19.10%	16.05%
Asian American	0.51%	0.79%
Multiracial and Other	2.18%	1.62%
Eligible for Free or Reduced Price Lunch	49%	44%*

* Percentage of all Florida students.

Endnotes

¹ For example, legislation has been offered in the House of Representatives by Rep. Jim DeMint (R-S.C.) to create a federal grant program in IDEA to help states establish special education voucher programs based on the McKay model and allow states that establish these programs to use federal IDEA funds for private school vouchers. (“IDEA Parental Choice Act of 2003,” H.R. 1373, 108th Congress). See also: Ladner, Matthew, “Race and Disability: Racial Bias in Special Education in Arizona,” Goldwater Institute, March 31, 2003; Kafer, Krista, “Florida McKay Scholarship Program Provides Model for Federal Legislation,” Heritage Foundation, March 25, 2003; Salisbury, David, “Lessons from Florida: School Choice Gives Increased Opportunities to Children with Special Needs,” CATO Institute, March 20, 2003; Gryphon, Marie and David Salisbury, “Escaping IDEA: Freeing Parents, Teachers and Students through Deregulation and Choice,” CATO Institute, June 10, 2002); Greene, Jay P. and Greg Forster, “Effects of Funding Incentives on Special Education Enrollment,” Manhattan Institute, Civic Report No. 32, December 23, 2002.

² An amendment incorporating the DeMint bill (H.AMDT.90) failed by a vote of 182-243 to gain approval when offered as an amendment to H.R. 1350, the House-passed IDEA Reauthorization Bill (Roll Call No. 151, <http://clerkweb.house.gov/cgi-bin/vote.exe?year=2003&rollnumber=151>). Another amendment that would also have allowed public school districts to provide parents who enroll their children in private schools vouchers for their child’s share of “proportionate” IDEA funds (Musgrave amendment H.AMDT.92, 108th Congress) also failed by a vote of 146-247 (Roll Call No. 152, <http://clerkweb.house.gov/cgi-bin/vote.exe?year=2003&rollnumber=152>).

³ For example, there is a longstanding practice of enabling special education students with particularly unique or severe needs that cannot be reasonably met by their public school districts to attend private schools at public expense. According to the U.S. Department of Education, over 100,000 disabled children received such placements in 1998-99. (U.S. Department of Education, “Twenty-Third Annual Report to Congress on the Implementation of the Individuals with Disabilities Education Act,” Washington, 2001, p. A-80). For more: McGroarty, Daniel, “The Little-Known Case of America’s Largest School Choice Program,” in Chester E. Finn, Jr., Andrew J. Rotherham & Charles R. Hokanson, Jr., eds., *Rethinking Special Education for a New Century*, Progressive Policy Institute and Thomas B. Fordham Foundation, 2001; Fox, Jonathan, “Sending Public School Students to Private Schools,” *Policy Review*, no. 93, January-February, 1999.

⁴ Gryphon, Marie and David Salisbury, “Escaping IDEA: Freeing Parents, Teachers and Students through Deregulation and Choice,” CATO Institute, June 10, 2002; Kafer, Krista, “Progress on School Choice in the States,” Heritage Foundation, March 26, 2003.

⁵ “Improving Education Results for Children With Disabilities Act of 2003,” H.R. 1350, 108th Congress. See, for example: Chester E. Finn, Jr., Andrew J. Rotherham & Charles R. Hokanson, Jr., eds. *Rethinking Special Education*

for a New Century, Progressive Policy Institute and Thomas B. Fordham Foundation, 2001); U.S. Department of Education Office of Special Education and Rehabilitative Services, *A New Era: Revitalizing Special Education for Children and Their Families*, 2002; National Research Council. *Minority Students in Special and Gifted Education*. Committee on Minority Representation in Special Education, M. Suzanne Donovan and Christopher T. Cross, eds., National Academy Press, 2002; Harvard Civil Rights Project, "Racial Inequity in Special Education," Losen, Dan and Gary Orfield, eds., Harvard Education Publishing Group, 2002.

⁶ Florida Department of Education Data, November 2002. Data reflect students for whom scholarship payments were made in November 2002, which may be fewer than the number of students currently in the program or the cumulative number of students in the program at any time during the 2002-03 school year.

⁷ Florida Department of Education Data, November 2002. For more on Florida's private schools, see Florida Department of Education, Bureau of Information and Accountability Services, "Florida's Nonpublic Schools 2001-02," Statistical Brief, Series 2003-01B, July 2002.

⁸ 2001 Florida Statutes, Title XVI, Chapter 229, Section 229.05371.

⁹ State of Florida data cited in Salisbury, David, "Lessons from Florida: School Choice Gives Increased Opportunities to Children with Special Needs," CATO Institute, March 20, 2003; "Quality Counts 2003," *Education Week*, vol. 22, no. 17, January 9, 2003.

¹⁰ Manhattan Institute Education Research Office, "McKay Scholarship Program for Students with Disabilities," <http://www.miedresearchoffice.org/mckayscholarship.htm>.

¹¹ Students in juvenile justice facilities are not eligible. Students must be enrolled in Florida schools the previous year to maintain the program's revenue neutrality and prevent current private school students from receiving vouchers. Notification must be made at least 60 days prior to the first scholarship payment. 2001 Florida Statutes, Title XVI, Chapter 229, Section 229.05371.

¹² Participating private schools may meet this requirement by being open for one year or through a statement by a certified public accountant, or they must provide surety or bond letter equal to the amount of scholarships.

¹³ Local school districts, however, are required to provide parents of McKay students an opportunity for their students to take the state assessment. (2001 Florida Statutes, Title XVI, Chapter 229, Section 229.05371.)

¹⁴ "When It's Your Own Child: A Report on Special Education from the Families Who Use It," Public Agenda, 2002.

¹⁵ For example: Shores, Karla D., "Parents Pull Students, Money from Miramar Private School," South Florida Sun-Sentinel, January 3, 2003.

¹⁶ "Specific Learning Disabilities," the largest diagnosis category in special education, refers to students who underachieve in a specific educational or cognitive area and includes such learning disabilities as dyslexia, reading disability, dyscalculia, and the like. The exact nature of specific learning disabilities is an issue of some contention, and the statutory definition for use in special education programs in the Individuals with Disabilities Education Act is likely to be altered in the current IDEA reauthorization. Lyon, G. Reid, Jack M. Fletcher, Sally E. Shaywitz, Bennett A. Shaywitz, Joseph K. Torgesen, Frank B. Wood, Anne Schulte, and Richard Olson, "Rethinking Learning Disabilities," in Chester E. Finn, Jr., Andrew J. Rotherham & Charles R. Hokanson, Jr., eds. *Rethinking Special Education for a New Century*, Progressive Policy Institute and Thomas B. Fordham Foundation, 2001.

¹⁷ Unless otherwise noted, all demographic data for McKay Scholarship students are from data provided by the Florida Department of Education in November 2002. Data for all special education students in Florida are from the Florida Department of Education, Bureau of Education Information and Accountability Services, <http://www.firm.edu/doe/cgi-bin/doehome/menu.pl>.

¹⁸ Florida does not collect information on the percentage of special education students who qualify for free and reduced-price lunches.

¹⁹ The Manhattan Institute has compared McKay matrix distributions with those for all special education students in the last year Florida used the older matrix system that applies to McKay students. However, those comparisons are uninformative because they also include "gifted" students, who are generally identified at the lowest matrix level and are not eligible for McKay Scholarships. Manhattan Institute Education Research Office, "McKay Scholarship Program for Students with Disabilities," <http://www.miedresearchoffice.org/mckayscholarship.htm>.

²⁰ For examples of the former, see: Kafer, Krista, "Florida McKay Scholarship Program Provides Model for Federal Legislation," Heritage Foundation, March 25, 2003; Salisbury, David, "Lessons from Florida: School Choice Gives Increased Opportunities to Children with Special Needs," CATO Institute, March 20, 2003. For the latter, see: People for the American Way Foundation and Disability Rights & Education Defense Fund, "Jeopardizing a Legacy: A Closer Look at IDEA and Florida's Disability Vouchers," March 6, 2003.

²¹ Four Florida counties have no private schools at all. Manhattan Institute Education Research Office, "McKay Scholarship Program for Students with Disabilities," <http://www.miedresearchoffice.org/mckayscholarship.htm>; Florida Department of Education, Bureau of Information and Accountability Services, "Florida's Nonpublic Schools 2001-02," Statistical Brief, Series 2003-01B, July 2002; People for the American Way Foundation and Disability Rights & Education Defense Fund, "Jeopardizing a Legacy: A Closer Look at IDEA and Florida's Disability Vouchers," March 6, 2003.

²² Florida Department of Education, Bureau of Information and Accountability Services, "Florida's Nonpublic Schools 2001-02," Statistical Brief, Series 2003-01B, July 2002.

²³ Salisbury, David, "Lessons from Florida: School Choice Gives Increased Opportunities to Children with Special

Needs,” CATO Briefing Papers, no. 81, March 20, 2003.

²⁴ Finn, Jr., Chester E., Andrew J. Rotherham & Charles R. Hokanson, Jr., eds., *Rethinking Special Education for a New Century*, Progressive Policy Institute and Thomas B. Fordham Foundation, 2001; National Research Council, “Minority Students in Special and Gifted Education,” Committee on Minority Representation in Special Education, M. Suzanne Donovan and Christopher T. Cross, eds., National Academy Press, 2002; Harvard Civil Rights Project, *Racial Inequity in Special Education*, Dan Losen and Gary Orfield, eds., Harvard Education Publishing Group, 2002.

²⁵ Lyon, G. Reid, Jack M. Fletcher, Sally E. Shaywitz, Bennett A. Shaywitz, Joseph K. Torgesen, Frank B. Wood, Anne Shulte, and Richard Olson, “Rethinking Learning Disabilities,” in Chester E. Finn, Jr., Andrew J. Rotherham & Charles R. Hokanson, Jr., eds., *Rethinking Special Education for a New Century*, Progressive Policy Institute and Thomas B. Fordham Foundation, 2001.

²⁶ Wade F. Horn & Douglas Tynan, “Time to Make Special Education ‘Special’ Again,” in Chester E. Finn, Jr., Andrew J. Rotherham & Charles R. Hokanson, Jr., eds., *Rethinking Special Education for a New Century*, Progressive Policy Institute and Thomas B. Fordham Foundation, 2001; Jay P. Greene and Greg Forster, “Effects of Funding Incentives on Special Education Enrollment,” Manhattan Institute, Civic Report No. 32, December 23, 2002.

²⁷ For example, while the District of Columbia’s troubled public school system is unable to provide exact numbers for the amount of money spent on private placements for special education students, estimates run as high as \$100 million a year, and a 1999 *The Washington Monthly* article estimates the costs of private placements in the District of Columbia as at least \$56 million. The smaller latter figure translates into \$791 for every DCPS student in spending. See: Worth, Robert, “The Scandal of Special Ed,” *The Washington Monthly*, vol. 31, no. 6, June 1999; Andrew J. Rotherham, Testimony Before the Senate Appropriations Subcommittee for the District of Columbia, April 16, 2002. Allegations of abuse within the private placement system in D.C. are rampant. See, for example: Blum, Justin, “Lawyers Capitalize On D.C. School Gaps; Special-Ed Clients Sent to Affiliated Firms,” *The Washington Post*, February 18, 2002, p. A1; “Sugar Daddy School System,” *The Washington Post*, February 20, 2002, p. A14; Blum, Justin, “D.C. Seeks Investigation of Special Ed Referrals,” *The Washington Post*, February 21, 2002, p. B05. In New York, Former Schools Chancellor Harold Levy asserted that abuse of special education by affluent parents seeking private placements was a major financial drain on the district’s schools. See, for example: Zhao, Yilu, “Rich Disabled Pupils Go To Private Schools at Public Expense, Levy Says,” *New York Times*, April 17, 2002, p. B7. On the SAT, see: Fusco, Chris “SAT system easier to beat?” *Chicago Sun-Times*, July 22, 2002, p. 5. For more on this phenomenon generally, see: McGroarty, Daniel, “The Little-Known Case of America’s Largest School Choice Program,” in Chester E. Finn, Jr., Andrew J. Rotherham & Charles R. Hokanson, Jr., eds., *Rethinking Special Education for a New Century*, Progressive Policy Institute and Thomas B. Fordham Foundation, 2001.

²⁸ Greene, Jay P. and Greg Forster, “Effects of Funding Incentives on Special Education Enrollment,” Manhattan Institute, Civic Report no. 32, December 23, 2002.

²⁹ “Quality Counts 2003,” *Education Week*, vol. 22, no. 17, January 9, 2003; “Quality Counts 2000,” *Education Week*, vol. 19, no. 18, January 2000.

³⁰ Hettleman, Kalman, “The Invisible Dyslexics: How Public School Systems in Baltimore and Elsewhere Discriminate Against Poor Children,” The Abell Foundation, February 2003; Lyon, G. Reid, Jack M. Fletcher, Sally E. Shaywitz, Bennett A. Shaywitz, Joseph K. Torgesen, Frank B. Wood, Anne Schulte, and Richard Olson, “Rethinking Learning Disabilities,” in Chester E. Finn, Jr., Andrew J. Rotherham & Charles R. Hokanson, Jr., eds., *Rethinking Special Education for a New Century*, Progressive Policy Institute and Thomas B. Fordham Foundation, 2001.

³¹ U.S. Department of Education, Office of Special Education and Rehabilitative Services, *A New Era: Revitalizing Special Education for Children and Their Families*, U.S. Department of Education, 2002.

³² See, for example: Raymond, Margaret E. and Eric A. Hanushek, “High Stakes Research,” *Education Next*, vol. 3, no. 3, Summer 2003; Walberg, Herbert J., “Accountability Helps Students at Risk,” *Education Week*, vol. 22, no. 3 (April 30, 2003); a forthcoming article by Martin Carnoy and Susanna Loeb in the journal *Educational Evaluation and Policy Analysis* also lends empirical support to these arguments.

³³ “When It’s Your Own Child: A Report on Special Education from the Families Who Use It,” *Public Agenda*, 2002.

³⁴ See, for example: Finn, Jr., Chester E., Andrew J. Rotherham & Charles R. Hokanson, Jr., eds., *Rethinking Special Education for a New Century*, Progressive Policy Institute and Thomas B. Fordham Foundation, 2001; U.S. Department of Education, Office of Special Education and Rehabilitative Services, *A New Era: Revitalizing Special Education for Children and Their Families*, U.S. Department of Education, 2002; National Research Council, *Minority Students in Special and Gifted Education*, Committee on Minority Representation in Special Education, M. Suzanne Donovan and Christopher T. Cross, eds., National Academy Press, 2002; Harvard Civil Rights Project, *Racial Inequity in Special Education*, Dan Losen and Gary Orfield, eds., Harvard Education Publishing Group, 2002.

³⁵ Vonnegut, Kurt, *Cat’s Cradle*, Dell Publishing, 1963.

³⁶ Congressman Kind’s proposal was included in H.R. 1350. Sen. Murray’s proposal (S 890) has not yet been considered. The Kind proposal increases state financing flexibility while the Murray proposal establishes a federal grant program for states to help school districts pay the costs for students with high-cost but low-incidence disabilities.