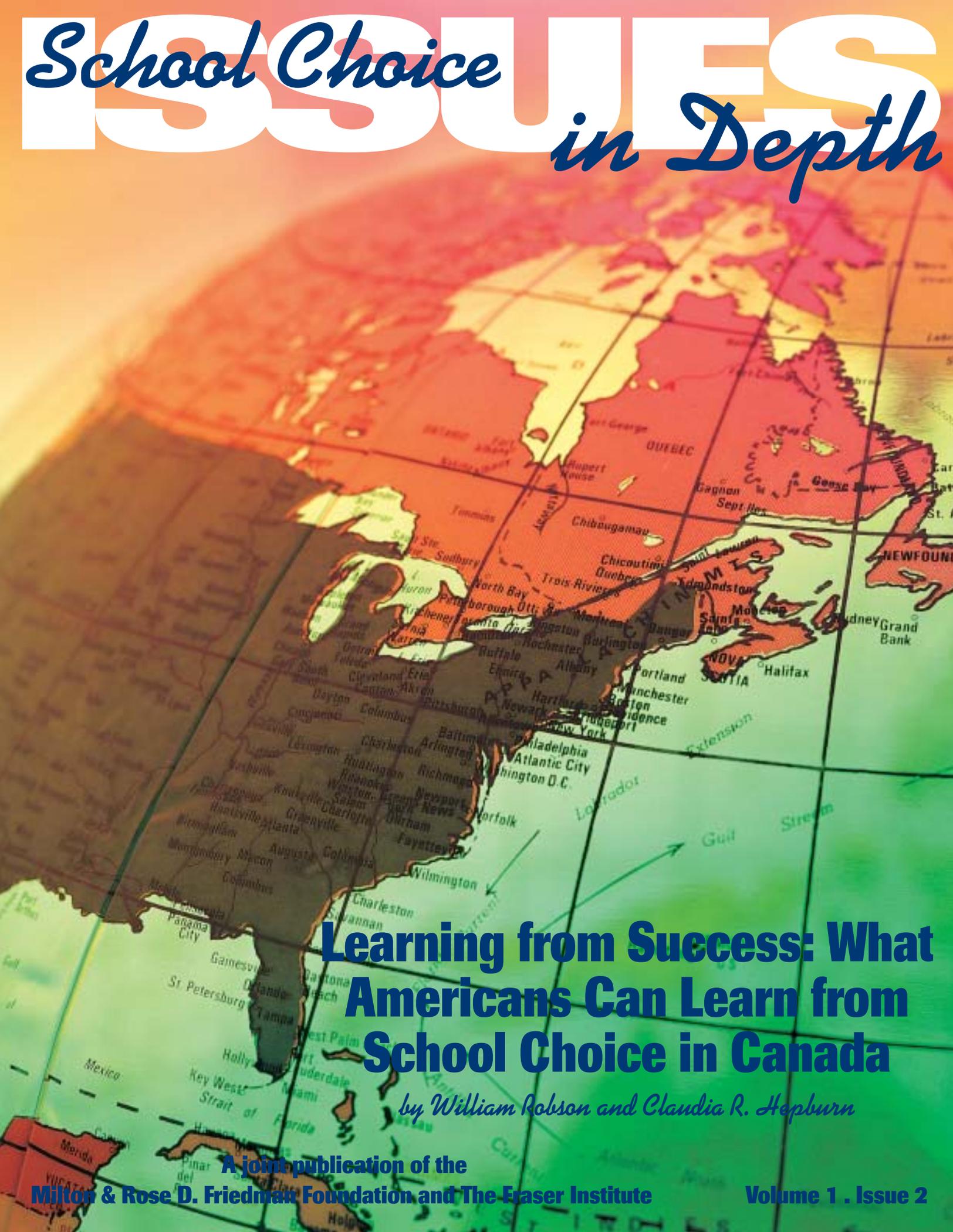


School Choice ISSUES *in Depth*



Learning from Success: What Americans Can Learn from School Choice in Canada

by William Robson and Claudia R. Hepburn

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About the Authors

William Robson is the Vice-President and Director of Research at the C.D. Howe Institute. He has written extensively on fiscal, monetary, pensions and health-care policies. Also active in issues related to education, Mr. Robson is a member of Ontario's Postsecondary Education Quality Assessment Board, a Director of the Organization for Quality Education, the Ontario Coalition for Education Reform, and the Society for the Advancement of Excellence in Education, and also a past Chair of the Ontario Parent Council. Mr. Robson has a B.A. from the University of Toronto and an M.A. from the Norman Paterson School of International Affairs at Carleton University.

Claudia Hepburn is the Director of Education Policy at the Fraser Institute. Working from the Institute's Toronto Office, she is a frequent media commentator on education issues. She is the editor of the book *Can the Market Save Our Schools* (Fraser Institute 2001) and the author of *The Case for School Choice: Models from the United States, New Zealand, Denmark and Sweden* (Fraser Institute, 1999). Her articles on education policy appear frequently in Fraser Forum and in newspapers across Canada. Ms. Hepburn began her career as a teacher working in Hong Kong, Poland and England and in the Ontario secondary school system. She has a B.A. in English from Amherst College in Massachusetts, and an M.A. and B.Ed. from the University of Toronto.

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Contributor

Robert Van Belle

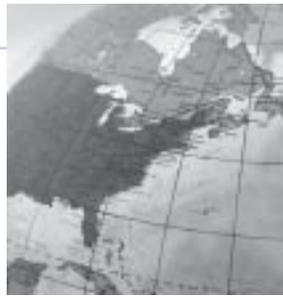


Table of Contents

Executive Summary	1
Equity and Excellence: The Challenge for North American Schools	4
Student Achievement	5
Inequality in Student Achievement	7
The Standards Movement and Its Limits	8
The Choice Movement and Its Promise	9
Independent School Funding in Canada	11
Publicly Funded Education in Canada: A Primer	11
British Columbia	12
Alberta	13
Saskatchewan	14
Manitoba	14
Ontario	15
Quebec	16
A Summary of Four Canadian School Choice Funding Models	16
Educational Freedom in Canada	17
Home Schooling.....	17
Independent Schooling	20
Public Schooling.....	23
Charter Schools.....	25
A Diverse Collection of Parental Choices	27
Equity, Quality and Accountability: The Impact of Independent School Funding	28
Equity	28
Socialization	30
Quality.....	31
Accountability	32
Conclusion: Learning from Success	33
References	35
Endnotes	37



On average, Canadian students out-perform their U.S. counterparts — indeed, some Canadian provinces rank with the top countries in the world — and recent work has shown that their strong performance owes much to relatively better achievement among students from less advantaged backgrounds.



Executive Summary

Elementary and secondary schools in the United States and Canada share many historical and institutional features. International comparisons of student achievement, however, have revealed some striking differences between the two countries. On average, Canadian students outperform their U.S. counterparts — indeed, some Canadian provinces rank with the top countries in the world — and recent work has shown that their strong performance owes much to relatively better achievement among students from less advantaged backgrounds. Features of Canada’s schools that might explain the better performance of Canadian students, especially students from less advantaged backgrounds, should therefore be of interest to Americans seeking to improve the quality of U.S. education.

The Rand Institute recently released a study that claimed to be derived from an exhaustive review of school choice literature in the United States and abroad. This study concluded that nearly all of the existing empirical evidence on the effects of vouchers comes from relatively small-scale programs, whose beneficial effects would almost certainly differ for large-scale programs. ***This important scholarly review neglected to consider the case for school choice to be made***

from evidence from Canada, where 92 percent of the population enjoys a variety of publicly funded school choices. The evidence from Canada presents a compelling case for increasing educational choice in the United States.

Among the key differences between U.S. and Canadian publicly funded education is that a number of Canadian provinces provide public funding to qualifying private, independent schools, including religious schools. Historically, these funds have taken the form of direct per-student grants, akin to vouchers, although the province of Ontario is currently implementing a refundable tax credit for parents whose children attend independent schools. One province also provides some direct funding to homeschoolers. ***International comparisons show that Canadian provinces that provide public funding to private, independent schools tend to have both higher average achievement scores and better scores for less advantaged students.***

Several aspects of Canadian experience with independent school funding may be helpful for Americans interested in excellence and equity in publicly funded education.

When Widely Available, Low and Middle Income Families Take Advantage of Choice

In provinces that fund independent schools, children from low-income families attend independent schools in greater numbers and form a higher percentage of total independent school enrollment than they do in provinces that do not fund independent schools. This fact should allay fears that a larger independent school sector will skim the more advantaged students from the public system and contradicts the claim made by the Rand study that “universally available voucher programs ... may disproportionately benefit highly educated and upper income families that have the means to take advantage of them.”

School Choice Narrows the Achievement Gap

There is a weaker correlation between socioeconomic status and achievement in provinces that fund independent schools. This fact also suggests that such funding is helpful, rather than harmful, to the pursuit of educational equity.

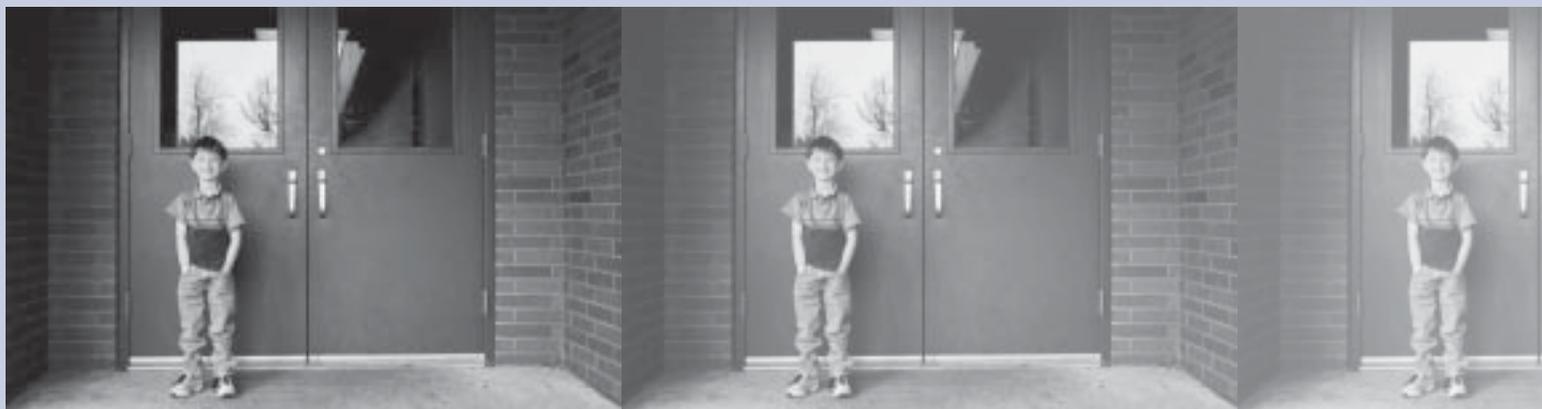
Strong Community Support For School Choice

There is no evidence that support for independent schools has harmed Canadian social cohesion. Funding for private, independent schools

has existed for decades with no discernable adverse impact on citizenship. There is no sense among Canadians that British Columbia, Alberta, Manitoba and Quebec, the provinces that fund independent schools, are more balkanized than the rest of the country. In fact, national polls show majority support in all provinces for the principle that parents whose children attend independent schools should take some public funding with them or receive some relief through the tax system.

Test Scores Higher in Areas with School Choice, Particularly Among Low-Income Students

Higher achievement scores in provinces that fund independent schools suggest that such funding enhances quality. The achievement scores are not only higher generally in provinces that fund independent schools but also higher particularly among students from less advantaged backgrounds. It appears that the reaction of the regular public schools to competition from partially funded independent schools has been to improve their programs. The Program for International Student Assessment (PISA) report showed that in Alberta, where families have a wide variety of educational choices, public school students actually scored above the provincial average. In the other provinces, public school students scored below the provincial average.



Private Schools Maintain Independence with School Choice

Canadian experience shows that publicly subsidized, or “voucherized,” independent schools can be accountable to government and still maintain their independence and distinctiveness. Canadian provinces that fund independent schools typically require recipients to fulfill key financial and operating conditions, respect the provincial curriculum and participate in provincial assessments. Schools that choose not to fulfill these requirements are free to operate without provincial funding. The fact that the majority of independent schools accept funds under these terms, and that these arrangements have survived changes in provincial governments, testifies to the acceptability of such a balance among recipients, the voting public and a wide spectrum of political parties.

Most Canadians currently enjoy greater parental choice than their American neighbors. These choices include a broader choice of public schools, including separate linguistic and religious schools, publicly funded independent schools and greater freedom for homeschoolers.

For Americans seeking to improve the quality of education, particularly for low-income children, funding for independent schools, tuition tax credits, and funding for homeschoolers in Canada illustrate useful ways of supplementing higher standards with bottom-up pressure for better schools.

Most Canadians currently enjoy greater parental choice than their American neighbors. These choices include ... publicly funded independent schools and greater freedom for homeschoolers.



Equity and Excellence: The Challenge for North American Schools

The United States and Canada have much in common in matters of public education. They were among the first countries to establish public schools open to all children, and schools and school boards on both sides of the border have developed along broadly similar lines in the years since then. Small schools governed by their own boards and financed by local communities have gradually given way to larger schools governed by amalgamated boards and more strongly influenced by state or provincial governments. And the financing of schools has generally become less a matter for local control and more a function of centralized funding formulas.

These close and friendly neighbors resemble each other in more than just governance of public schools. Government officials in both countries regularly proclaim their devotion to the principles of equity in access and excellence in achievement. The United States and Canada are among the world's leaders in spending on public schools.¹

At the same time, many citizens in both countries are concerned about the quality of their schools. There is abundant evidence to suggest that the ample resources committed to public education have not produced satisfactory achievement scores for students in general and for students from less advantaged backgrounds in particular.



Student Achievement

Over the last 20 years, there has been an increasing amount of information on how well North American students are learning relative to students in other countries. The general picture for both countries has been one of mediocre achievement, but some more promising results from Canada suggest that Americans concerned about the performance of U.S. schools might do well to look north of the border for ideas.

The first evaluations to yield high-quality measures of student achievement for both the United States and Canada in an international context were the 1980-1982 Second International Mathematics Study (SIMS) and the 1983-1986 Second International Science Study (SISS), both organized by the International Association for the Evaluation of Educational Achievement. The SIMS results showed Canada's nine-year-olds to be roughly in the middle of a field of 14 developed countries, in sixth place, while their U.S. counterparts came in 12th. In the SISS, Canadian 10-year-olds finished sixth in a 14-country field, while U.S. 10-year-olds came in eighth.

A similar story emerged from two other key international comparisons roughly a decade ago: the 1988 First International Assessment of Educational Progress in Mathematics and Science (IAEP I) and the 1992 Second International Assessment of Educational Progress in

Mathematics, Science and Geography (IAEP II), organized by the Educational Testing Service. IAEP I studied a comparatively small field of six developed countries, helping Canada's 13-year-olds to a second place finish but leaving their U.S. counterparts in last place. In IAEP II, the performance of both countries' nine-year-olds was very poor — Canadians and Americans were eighth and ninth respectively in a 10-country field — and the results for 13-year-olds were not much better — ninth out of 14 for Canada, and 14th out of 14 for the United States.²

A pair of more recent international comparisons is notable for two reasons: First, these comparisons underscore the fact that, despite many similarities between the populations and school systems of the United States and Canada, some important differences are repeatedly evident between the achievement scores of their students. Second, more recent international comparisons also offer larger and richer sources of information, both because of the number of jurisdictions tested and the quantity of background information collected. More countries and sub-national jurisdictions participated on a comparable basis in these tests. Moreover, these tests collected a large amount of data on factors affecting performance, such as students' socioeconomic background, which add texture to our understanding of achievement in the two countries.



The United States and Canada have much in common in matters of public education. They were among the first countries to establish public schools open to all children, and schools and school boards on both sides of the border have developed along broadly similar lines in the years since then.

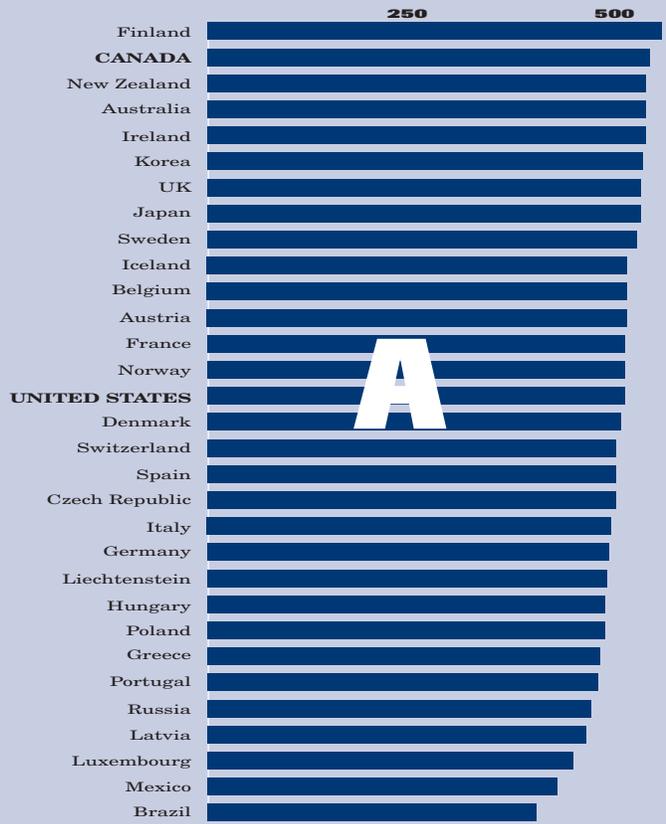
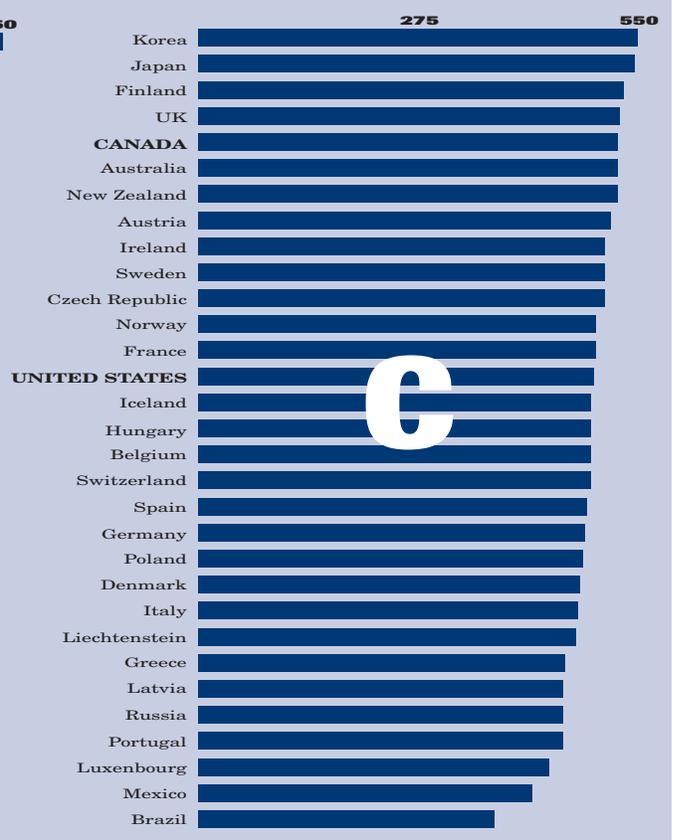
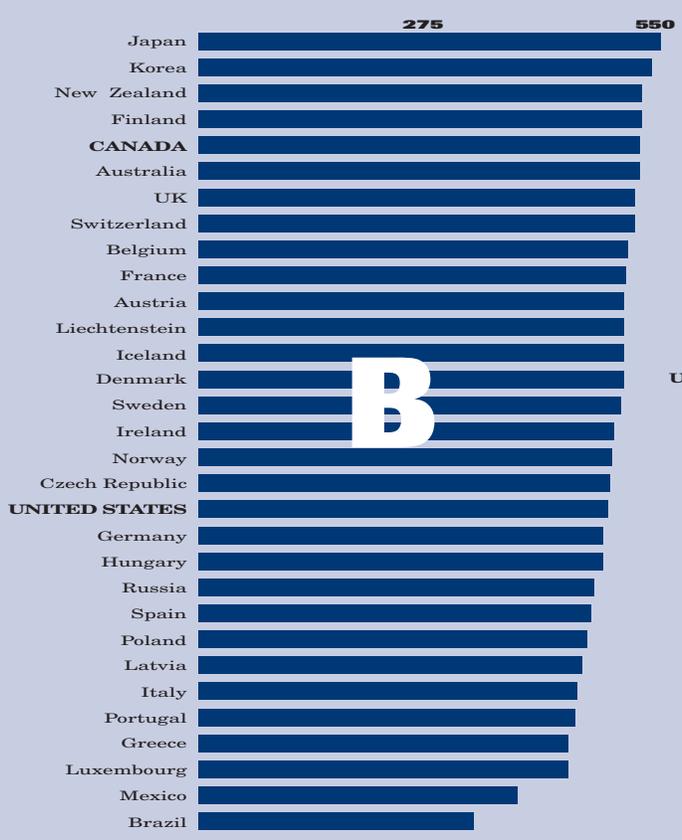


Figure One
National PISA Scores

Panel A
PISA: Reading

Panel B
PISA: Math

Panel C
PISA: Science



The 1995 Third International Mathematics and Science Study (TIMSS) tested students at three different levels. Among grade-four students, the United States and Canada placed seventh and eighth respectively in a 17-country field in math, and third and sixth respectively in science. Among grade-eight students, the position of both countries had slipped in a larger field: Canada came in 13th and the United States 19th in a 27-country field in math; in science the United States was 12th and Canada was 13th. TIMSS also tested students at high-school leaving age. Since these students were past the age of compulsory school attendance, when many of the less academically inclined students would be gone from the pool, the investigators looked at the top 10 percent of students for information about the relative positions of top performers. Of the 14 countries taking part in this section of the test — which did not include the perennially strong performing Asian countries — Canada was sixth and the U.S. 14th in math, and Canada was third and the U.S. 12th in science (Robitaille et al, 1997).

The Organization for Economic Cooperation and Development (OECD) Program for International Student Assessment (PISA) is the most recent international comparison and has produced some of the most striking findings. PISA evaluated the reading, math and science achievement of 15-year-olds in 32 countries, of which 31 yielded comparable data. In this field, Canada ranked second in reading, while the U.S. ranked 15th. The comparable figures for math and science were fifth and 20th, and fifth and 14th respectively (Figure 1).³

To summarize, then, neither the U.S. nor Canada has typically had much to boast about when it comes to the performance of their students on international comparisons. But the TIMSS and the PISA tests confirmed a pattern hinted at in earlier results: on average, Canadian students do

somewhat better than American students — a tendency that makes other differences in achievement scores on either side of the U.S.–Canada border all the more noteworthy.

Inequality in Student Achievement

One of the major inspirations behind publicly funded education is to give students from all backgrounds a more equal set of opportunities — a more even starting line in life. From this perspective, there are other features of the PISA data that are of particular interest.

Looking more closely at the range of test scores within each country reveals a pattern that is becoming familiar in tests of this type: the scores of the higher-achieving students in each country vary far less than do the scores of lower-achieving students. As a result, the average scores are correlated with the inequality between higher-and lower-achieving students (Figure 2 on page 8 illustrates this relationship for the G8 countries, Australia, Mexico, Sweden, Finland, Belgium and Switzerland in each of reading, math and science).

It is well known that inequality in test scores is related to inequality in other aspects of students' lives — indeed, if students did not come from different family backgrounds under different socioeconomic circumstances, there would be much less for publicly funded schools to do. But socioeconomic circumstances are not all there is to unequal achievement scores. The extensive data collected in the PISA on family income, parental education, and education-related resources available at school and at home allows rich analysis of the links between socioeconomic status and achievement, and it turns out that the correlation between the two is not equally strong everywhere. Socioeconomic status is more strongly correlated with student achievement in some countries than in others, and in particular, they are more strongly

correlated in the United States than in Canada (Figure 3 on page 10).

In this connection, one further finding from the PISA study deserves highlighting: Canada over-sampled in this study in order to obtain internationally comparable data from each of its ten provinces.⁴ As a result, not only average achievement scores, but measures of inequality and performance by socioeconomic status are available for the Canadian provinces on the same basis as they are for other countries.

Breaking Canada’s performance down by province reveals that Canada is far from homogeneous. The average achievement scores differ considerably across the country, with some provinces scoring close to the U.S. average, while others are far above it (Figure 4 on page 10).⁵ As was the case in the country comparison, there is a negative relationship between the dispersion of test scores and their average level — the difference in average performances within North America also owes more to differences in performance at the low end than it does to differences at the high end. And, as was the case among countries, the difference in performance within each jurisdiction is attributable not only to differences in the socioeconomic status among students but also to differences in the *strength of the link* between socioeconomic status and achievement (Figure 5 on page 10). In some Canadian provinces, socio-

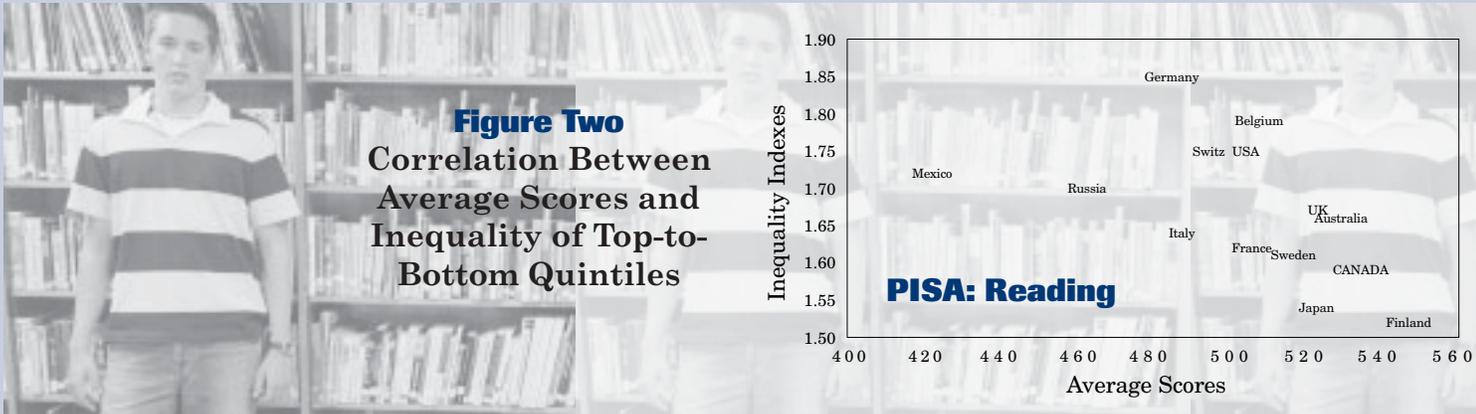
economic status is as strongly correlated with achievement as it is in the United States; in others, however, the link is far weaker.

The Standards Movement and Its Limits

The evidence just summarized, and much else from national and state or provincial-level testing programs, has sparked a great deal of debate and effort to improve student achievement. Along with their long-standing support for education, Americans and Canadians share their impatience with under-performance and their commitment to fixing it.

A key thrust of the effort to raise performance in the United States and Canada has been a move to higher and clearer standards. State and provincial governments have introduced better curriculum materials, more regular assessments and increased their focus on the quality of teaching and school resources.⁶

There is no doubt that these steps are important. Anecdotes about the value of high expectations, clear goals and meaningful measurement — especially high-stakes tests such as high-school exit examinations — are reinforced by more systematic evidence.⁷ By now, however, the limits of this type of top-down reform are evident in both countries.



New standards, testing, and quality control are good, but no department of education can — or should — manage what happens every day in every classroom. New money often seems to benefit bureaucrats and unions more than students. And, central command puts more power in the hands of the insiders who are responsible for past under-performance. Administrators can ignore demands of parents for better instruction and safer schools if they know that families who cannot afford independent school tuition have nowhere else to go, and parents who cannot get an administrator’s ear often give up and disengage, lessening the parental engagement that is widely acknowledged to be a key contributor to an effective school.

The Choice Movement and Its Promise

The limits of top-down initiatives have led many states and provinces to add another tool to the reform kit: more choice for families about where to send their children to school. These moves complement top-down reforms by creating scope for bottom-up pressure for school improvement.

The idea behind the movement for choice in education is straightforward. When school boards eliminate catchment boundaries between schools, or when states and provinces establish charter schools and public money follows students when

they change schools, parents are able to vote with their — or their children’s — feet.

Researchers in the U.S. have generated a large amount of work, both theoretical and empirical, that shows how parental choice can be a powerful force for better instruction and more student-friendly, safer schools.⁸ Indeed, experience in the United States, Canada and around the world shows that the power of choice to improve schools is more than just theory — it works in practice. Open enrollment and charter schools are popular not only with parents, but increasingly with teachers and administrators as well. States and provinces are expanding these programs as evidence of their effectiveness mounts.⁹

Where unions and bureaucrats are powerful, however, open enrollment and charter schools may not be enough. Experience in both the United States and Canada shows how administrative action within the regular public school system can take away freedoms the reforms were intended to create. For this reason, many in the United States have advocated making public funds available for parents who send their children to independent schools, including religious schools.

Advocates of vouchers have generated considerable controversy. The Rand Institute recently released a study that claimed to be “derived from an exhaustive review” of school-choice literature in the United States and abroad.

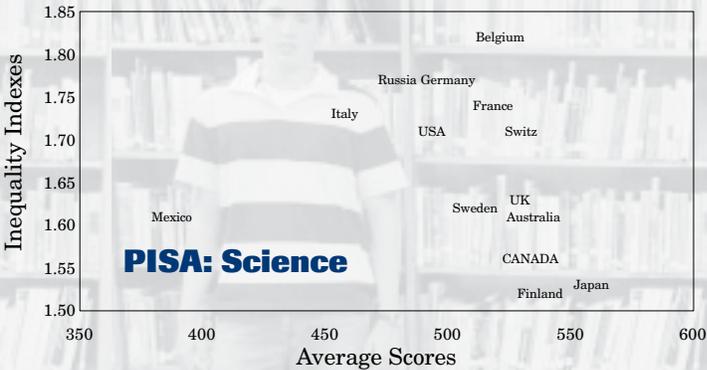
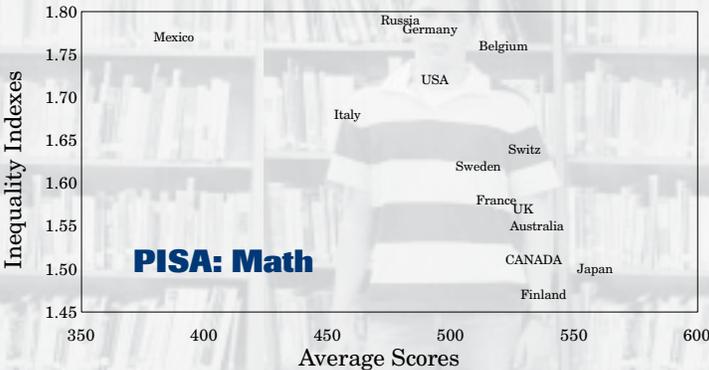


Figure Three
PISA: Correlation of SES
with Student Achievement

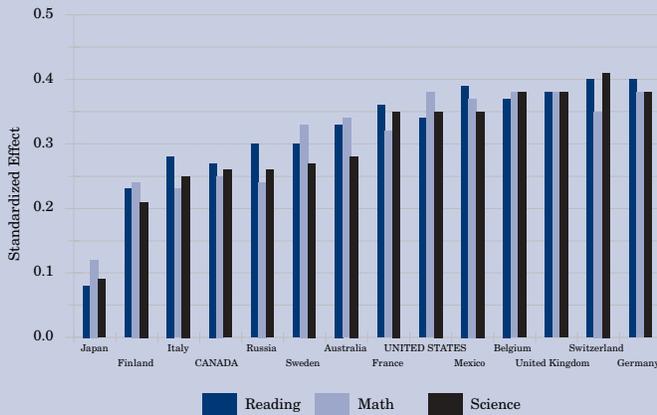


Figure Four
PISA: Average Scores for the United States and Canadian Provinces

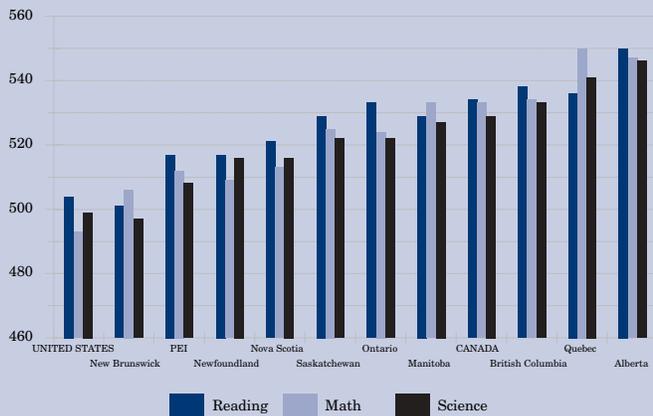
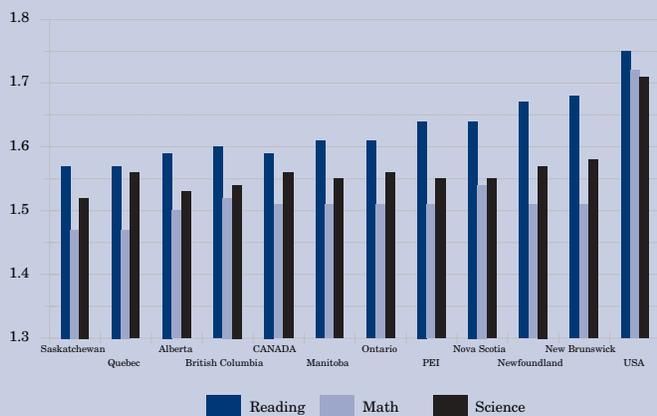


Figure Five
PISA: Inequality Indexes for the United States and Canadian Provinces



This study concluded that “nearly all of the existing empirical evidence on the effects of vouchers ... comes from relatively small-scale programs” (Gill, Timpane, Ross and Brewer 2001, xviii), the beneficial effects of which “will almost certainly differ for large-scale programs” (Gill, Timpane, Ross, and Brewer 2001, xix). Remarkably, this important scholarly review neglected experience from the many jurisdictions around the world that do fund independent schools, including several examples that are no further away than the Canadian border.

In the debate over vouchers and other means of widening parental choice, too few Americans know that state funding of independent schools, including religious schools, already exists in Canada.



Independent School Funding in Canada: How it Works

In the debate over vouchers and other means of widening parental choice, too few Americans know that state funding of independent schools, including religious schools, already exists in Canada. In three of Canada's ten provinces — Alberta, Saskatchewan and Ontario — Catholic schools receive public funds on the same basis as do regular schools. These provinces represent 51 percent of Canada's population. In several provinces — British Columbia, Alberta, Saskatchewan, Manitoba and Quebec, which represent 54 percent of the population — independent schools, including religious schools, are eligible for public grants on a per-student basis to cover part of their operating costs. And, the province of Ontario, which holds 38 percent of Canada's population, is now embarking on an ambitious new program to provide refundable tax credits to parents whose children attend fee-paying schools. The entire population of the country is eligible for a federal charitable-donation tax credit for the portion of independent school tuition at religious schools that is related to religious instruction, as well as a tax deduction for the portion of tuition that represents child-care costs.

Publicly Funded Education in Canada: A Primer

In Canada, even more so than in the U.S., the federal structure of the country is reflected in its elementary and secondary education systems. The federal government's presence in elementary and secondary schools is minimal, and there is considerable variation in the way schools are funded and governed from province to province.

This variation has deep historical roots, going back to the triumph of British over French forces in North America in the 18th century. A key part of the attempt to reconcile the French Catholic population to their new status in the British Empire was legal protection for the rights of French Catholics to their own separate, publicly funded schools. The legal status of publicly funded, religious schools was confirmed when the four provinces of Ontario, Quebec, New Brunswick and Nova Scotia joined together in Confederation in 1867. The constitution guaranteed minority religion education rights in Ontario and Quebec, and also provided protection for denominational rights in the education systems of new provinces joining Confederation.¹⁰

When the provinces of Prince Edward Island, Alberta, Saskatchewan and Newfoundland

subsequently joined Canada, provisions regarding continuity of religious education applied to them also. Although the once Protestant public school system in Canada has, like its counterpart in the United States, gradually become secular, the guarantees of equal treatment for religious school boards have been upheld in key legal decisions as recently as 2001.^{11, 12}

Consequently, funding of some Catholic schools in Canada is guaranteed for specific provinces in the Canada Constitution. These “separate” schools account for 21 percent of the student population in Saskatchewan, 23 percent in Alberta and 30 percent in Ontario.¹³ In addition to required funding for these separate schools, public funding for independent schools has existed on a small scale for decades, and has become more widespread since the 1970s. These independent schools are private schools for which there is not a funding guarantee in the Canadian Constitution. Five provinces currently fund independent schools directly.¹⁴

The appeal and practicality of these funding approaches is evident in the fact that they have survived both changes of government and administrations that were friendly to teacher unions and hostile to independent schools. Ontario is about to implement a tax credit for parents whose children attend independent schools. The following six sections provide a brief west-to-east

survey of educational choice in Canada’s major provinces, which together represent 92 percent of the country’s population. A synopsis of educational freedom in Canada follows this section.

British Columbia

When it entered confederation, the province of British Columbia on Canada’s Pacific coast provided public support only to non-denominational schools in the regular public system. This practice endured for over a century until 1977 when, with the implementation of the Independent Schools Support Act, the province began to offer funding to the majority of its independent schools.

Since then, British Columbia has operated a tiered system of support. At present, schools that follow the provincial curriculum are eligible for per-student grants equal to 35 percent (approximately C\$2,000) of the adjusted per-student spending of the local public district if their per-student operating costs are above those of the district, and 50 percent (approximately C\$2,700) of the adjusted per-student spending in the local district if their costs are less than or equal to those of the district.¹⁵ Special education funds for students in independent schools are available from a special provincial grant.



Funded independent schools must follow the provincial curriculum, and must employ teachers certified through the British Columbia College of Teachers or the office of the Inspector of Independent Schools. Schools must operate for one year before they are eligible for funding.

The share of students enrolled in British Columbia's independent schools has risen from 7.1 percent in 1990-1991 to 8.5 percent, some 60,000 students, in the 1999-2000 school year.¹⁶

During the 1990s, the socialist New Democratic Party held power in British Columbia. In 1993-1994, it abolished a smaller per-student grant for a third category of schools that was not obliged to employ certified teachers. Although it also adjusted the formula for independent-school funding downward, it did not respond to demands from the provincial teacher union to abolish the system.

Alberta

The province of Alberta is one of the three provinces in Canada that funds Catholic schools on the same basis as it does regular schools. A handful of Protestant schools receive public funds on the same basis. In Alberta, almost one-quarter of students attend religious separate schools (23.1 percent in 2000-2001).

Alberta has supported independent schools since the 1960s. The government of Alberta provides qualifying independent schools with an amount equal to about 60 percent (approximately C\$2,500) of the per-student basic grant provided to public schools and imposes no restriction on independent school fees or operating costs.¹⁷ If parents of children with special needs select a private school, the school receives funding equivalent to that provided to a similar pupil in a public school. As in British Columbia, independent schools do not receive public assistance with transportation, capital or operations and maintenance costs. With capital grants, school board expenses, school salaries and pensions factored in, the per-student independent school grant is worth 35 percent of the cost of the per-student public school grant.

Alberta is the Canadian province that has most enthusiastically embraced parental choice. Accredited independent schools are eligible for funding for the supervision of homeschooled students and homeschooling families may receive public funding worth 16 percent of what is spent to educate a student in a public school. Alberta is also the only Canadian province to implement charter school legislation. Ten charter schools currently operate in the province.¹⁸

Funded independent schools are required to follow the provincial curriculum, albeit with some



The share of students enrolled in British Columbia's independent schools has risen from 7.1 percent in 1990-1991 to 8.5 percent, some 60,000 students, in the 1999-2000 school year.

latitude, and are obliged to achieve educational results equivalent to those of public schools. They are also obliged to employ certified teachers as instructors or supervisors of instructors; however, teachers at funded independent schools are not obliged to belong to the provincial teachers' union.¹⁹ Independent schools must operate for at least one year before they become eligible for public funding.

Some 25,000 Albertan students attended independent schools in the 1999-2000 year. This constituted 4.5 percent of total provincial enrollment, up from three percent in 1990-91.

Saskatchewan

Saskatchewan, like Alberta, provides public funds to Catholic schools on the same basis as it does to regular school boards, and supports a small number of Protestant schools in the same fashion. Slightly more than one-fifth of students (20.5 percent in 2000-2001) attend the separate systems.

Saskatchewan also provides support to a small number of independent schools. Eight "historical" secondary schools receive funding: four receive full funding through various arrangements and four receive amounts equal to about 40 percent of the provincial grant to public schools. There are also four "associate" schools that receive full funding through agreements with school divisions and

three alternate schools that receive per-pupil and special-education funding.

Funded independent schools in Saskatchewan must employ certified teachers.

Approximately 4,000 students attend independent schools in Saskatchewan. At two percent of total enrollment, this number has more than doubled from less than one percent in 1990-1991.

Manitoba

The province of Manitoba does not fund a separate school system but makes public funds available to qualifying independent schools, including religious schools. To qualify for public funds, independent schools in Manitoba must implement the provincial curriculum, employ certified teachers, provide audited financial statements to Manitoba Education and Training and abide by applicable legislation.

Independent schools in Manitoba are eligible for 50 percent of the net operating expenditures for public schools two years previously. Additional grants at 100 percent of the equivalent public school amount are available for special-needs students. Manitoba also provides support for textbook purchases at the same level provided to public schools. Where independent schools purchase services such as transportation or courses such as industrial arts from public boards



and schools, the government reimburses the public entities for these costs.²⁰ When capital grants, school board expenses, school salaries and pensions are factored in, the per-student independent school grant is worth 38 percent of the cost of the per-student public school grant. Schools must operate for three years before becoming eligible for funding.

Some 14,000 students were enrolled in independent schools in Manitoba in 1999-2000. This number represented slightly over seven percent of total provincial enrollment that year, up from five percent at the beginning of the 1990s.

Ontario

Ontario, Canada's most populous province, is the third Canadian province in which Catholic schools receive funds on the same basis as regular (once Protestant) public schools. The extension of public funding through the Catholic system was gradual, beginning in the elementary grades, then the lower-secondary grades and culminating in 1986 with full funding right up to the end of secondary school. Until recently, Ontario's public and Catholic schools were financed by formulas involving both central and local financial support, but in 1997 the province took control of the education property tax and established a centralized functional grant system for all school

boards in the province. Just under one-third of students (31.1 percent in 2000-2001) attend Catholic schools.

With the exception of Catholic schools, Ontario has not historically funded schools outside the regular public system. In 2001, however, it passed legislation to create a refundable tax credit for parents whose children attend independent schools.²¹ When fully implemented after a five-year phase-in, the credit will provide an amount equal to half the tuition applicable to secular instruction, up to a maximum credit value of C\$ 3,500.²² Unlike the other provinces, Ontario will put money directly in the hands of parents, an approach that has been praised for keeping parents in the forefront as the buyers of a school's services rather than making the government part of the purchasing team.

Ontario's approach to independent schooling has traditionally been very permissive. Although the provincial government required the filing of a notice of intent to operate such a school, no formal government approval or licensing has been required. It appears likely that this relaxed approach will continue, at least at first, when the tax credit is in place.²³

Some 103,000 students attended independent schools in Ontario in 1999-2000 — 4.6 percent of provincial enrollment, up from 3.7 percent in 1990-91.

Unlike the other provinces, Ontario will put money directly in the hands of parents, an approach that has been praised for keeping parents in the forefront as the buyers of a school's services rather than making the government part of the purchasing team.

Quebec

In the predominantly French-speaking province of Quebec, there are two public education systems, one instructing mainly in French and the other in English. This arrangement is relatively new. Historically, all public schools in the province operated on a denominational basis, with both Catholic and Protestant school districts throughout the province. In 1997, however, provincial legislation, given constitutional ratification by the federal government, set the stage for the replacement of the denominational system by a system of linguistically based school boards.

Since 1968, Quebec has provided per-pupil grants to the bulk of independent schools in the province.²⁴ The basic per-pupil amount is equal to approximately 55 percent of the comparable amount in the fully funded system in the case of elementary schools, and approximately 60 percent of the comparable amount for secondary schools. The independent school grant is indexed to costs in the regular systems. There are also a variety of supplemental amounts related to special needs students, transportation, investments in information technology and other matters.²⁵ When capital grants, school board expenses, school salaries and pensions are factored in, the per-student independent school grant is worth 35 percent of the cost of the per-student public school

grant. Schools are eligible for funding immediately after start-up.

More than 103,000 students, slightly above nine percent of the provincial total, attended independent schools in the 1999-2000 school year. The share of students attending independent schools that year was virtually unchanged from the share at the beginning of the 1990s.

The Four Canadian School Choice Funding Models: What Americans Could Do

Americans seeking to expand the options for parents of school-age children can find four interesting models being used by their northern neighbor.

The first model is used by British Columbia, Alberta, Manitoba and Quebec to provide per-student grants to qualifying independent schools.²⁶ These arrangements offer self-governing schools some fraction of the per-student funding given to public schools, usually in exchange for a higher degree of regulation than applies to unfunded schools. Funded schools tend to charge lower tuition to parents as a result of the public funding. The grants cover some, but not all, of school costs — generally providing a fixed proportion of the comparable per-student operating instruction grants in the public system and additional



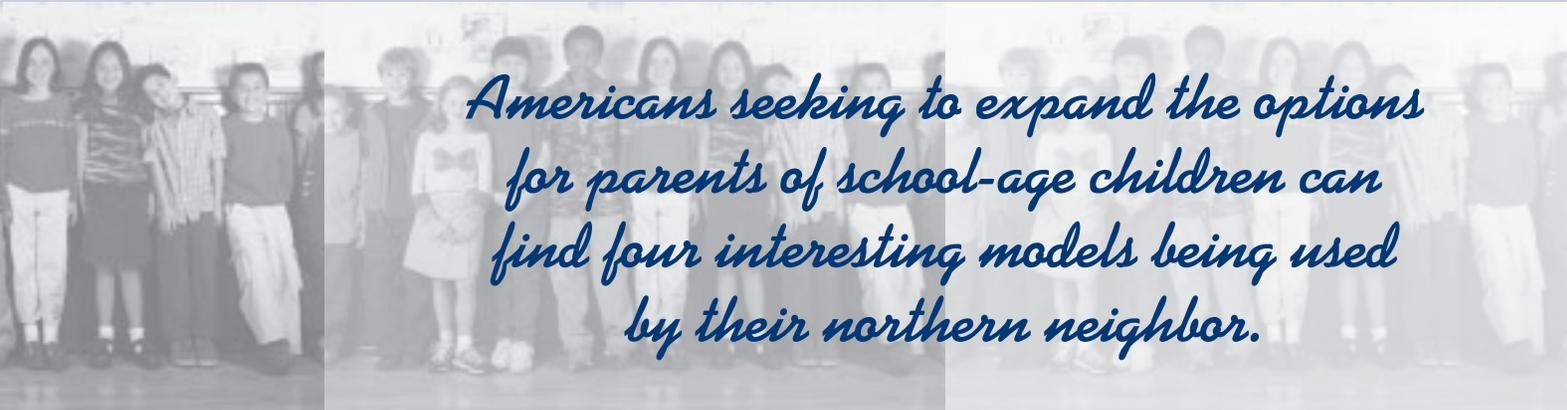
amounts for specific purposes such as special education and transportation. It is straightforward to index the value of these grants to comparable spending in the regular public schools, thus preserving the balance between the two systems as public school spending changes.

Second, if U.S. courts rule that direct grants to schools contravene the First Amendment, Ontario's tax-credit approach may be the most attractive alternative. With parents still paying the full dollar amount and receiving their credit from the government later, the refundable tax credit will protect the link between parent and school, whereas a payment directly from government to schools might erode parental control. Because the credit will be refundable, even families with very low incomes and provincial tax liabilities will still reap the full value of the credit. American states could improve on Ontario's approach by indexing the amount of the tax credit to spending on public schools.²⁷

Third, there is the example of fully funded religious schools, governed by their own elected school boards. The special legal status of Catholic schools in Alberta, Saskatchewan and Ontario puts them on a roughly equal financial footing with regular public schools, providing families in some parts of the country with two public school options from which to choose. This approach would likely arouse vociferous opposition in the United States,

where it may appear to be inconsistent with the First Amendment's injunction against establishment of religion.

Finally, states could offer funding, as Alberta does, for parents who choose to teach their children at home. This policy would reduce the financial barrier to the most independent of independent schooling options without raising First Amendment-related objections. The United States might improve on Alberta's homeschooling legislation by keeping the application, curriculum and reporting requirements for homeschoolers to a minimum.



Americans seeking to expand the options for parents of school-age children can find four interesting models being used by their northern neighbor.



Educational Freedom in Canada

This section illustrates in some detail the major attributes of Canadian provincial education policy, its variations province to province and, implicitly, its differences from the education policies of the United States. It looks specifically at the areas of home schooling, independent schooling, choice of public school districts and charter schools.

Home Schooling

All parents in Canada have a legal right to educate their children at home. The Canadian Charter of Rights and Freedoms (1982) states that every child has a right to education and that their parents have the right to direct that education at home according to their conscientious beliefs.²⁸ The right to homeschool is upheld in the education statutes of each of the ten provinces, either as an

exemption to compulsory attendance in the public school system or as an educational alternative.

Parents' choice to homeschool is affected by several factors. The data measured here is composed of four specific factors: whether public funding is available to students enrolled in homeschools, whether parents must seek government permission to homeschool, whether homeschoolers must report student progress to their province, and the volume of regulation governing homeschooling in each province.

Funding

The choice of parents to homeschool may be affected by the availability of funding. Funding serves as a token compensation for the parent's time, or reimbursement for educational tools such as curricula, Internet access and textbooks.



Home School Indicator

Province	Funding	Permission	Reporting	Regulations
NF	0%	Yes	No	3
PEI	0%	Yes	Yes	8
NS	0%	No	Yes	7
NB	0%	No	No	1
QC	0%	No	No	1
ON	0%	No	No	1
MB	0%	No	Yes	5
SK	0%	Yes	Yes	31
AB	16%	Yes	Yes	34
BC	0%	No	No	4

Only Alberta provides direct financial assistance to parents who homeschool their children. The money may be used for any costs associated with the home school. Saskatchewan, Alberta, and British Columbia also allocate money to school boards or independent schools that register homeschooled students. “Funding” measures the maximum amount of funding that follows the homeschooled child.

Funding is measured as a percentage of the average cost to educate a student in the public school system. For example, if the government grants \$1,000 to a home school parent and the average cost of education for a child in the public school system (including capital costs) is \$5,000, then the funding level is 20 percent.

Permission

Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba and British Columbia place the decision to homeschool directly in the hands of parents. These six provinces do not require the parents to seek government permission before starting a home school program. Instead, the government intervenes only when the parents prove themselves to be irresponsible or incapable. The remaining four provinces require that parents submit to an application process intended to prove whether or not they are

capable of homeschooling their children before they start. This process by the local board or ministry may deter parents from pursuing an educational approach that might be best for their children. This variable measures whether or not parents have to apply to a government body for permission to homeschool.

Reporting

Some provinces demand that parents who homeschool report their children’s progress on a regular basis. This measure asks whether or not home educators are required to report progress to the ministry, school board or independent school. It does not measure the degree of reporting required. Provinces that do not require reporting acknowledge that parents, not governments, hold

All parents in Canada have a legal right to educate their children at home. The Canadian Charter of Rights and Freedoms (1982) states that every child has a right to education and that their parents have the right to direct that education at home according to their conscientious beliefs.

the primary responsibility for educating their children. In these provinces, where the educational value of the homeschool program is suspect or the parent is accused of being incapable, government carries the burden to prove negligence or incompetence. Newfoundland, New Brunswick, Quebec, Ontario and British Columbia do not require parents to submit any reports.

All provinces maintain the right to terminate a homeschool program if they determine that a child's right to education is being denied.

Regulations

The Regulations variable is designed to measure how much (or how little) regulation homeschoolers must wade through before they may begin to educate their children. Regulations present a cost to parents who homeschool, whether in time or in professional fees. These costs divert parents' limited resources away from the child's education. The amount of regulatory burden is quantified by summing the total number of sections in the statute, regulations and directives that directly refer to homeschooling.

In conclusion, the Home School indicator suggests that public funding goes hand in hand with increased regulation. For example, Alberta allows the most money to follow homeschooled children, but it also has nearly the largest tangle of regulation. Ontario and New Brunswick, on the

other hand, offer homeschoolers no public funding but very little regulatory burden. This raises some interesting questions: Are homeschoolers better off with more funding and more regulation and reporting requirements or with no public funding and less public intervention? If, as research on homeschooling compiled by Patrick Basham indicates, most homeschooled children are receiving an education that is satisfactory or superior to that offered in public and private schools, are regulations necessary? Are they reasonable if public funding is increased? Alberta's high score on funding is offset by its poor performance in the regulations, permission and reporting categories, while Ontario's and New Brunswick's scores are the reverse.

Independent Schooling

Independent schooling in the major Canadian provinces (home to 92 percent of the population) is aided by government funding, either by direct subsidy to independent schools (in four provinces) or (starting in 2002 in Ontario) by a refundable tax credit to parents who use them. These subsidies and tax credits are, in every case, worth a significant fraction of the cost of independent schooling and far more than any U.S. state-government subsidy to independent schooling.

The Independent School Indicator (shown next page) measures the freedom that parents in



Independent School Indicator

Province	Percent Funding	Funding for For Profit Schools	Years until Eligible for Funds	Approve Curriculum	Teacher Certification	Regulatory Burden
NF	0%	NA	NA	Yes	Yes	8
PEI	0%	NA	NA	Yes	Yes	24
NS	0%	NA	NA	No	No	3
NB	0%	NA	NA	No	No	1
QC	35%	Yes	0	Yes	Yes	185
ON	0%	NA	NA	No	No	1
MB	38%	Yes	3	No	No	31
SK	0%	NA	NA	No	Yes	41
AB	35%	No	1	Yes	No	25
BC	37%	No	1	No	No	36

different provinces have in their choice of independent schooling. This indicator is composed of six variables, three of which measure the availability of public funding for independent schooling and three of which measure government regulation of independent schooling.²⁹

Percent of Funding

The first variable measures the amount of public funding available to students educated in independent schools as a percentage of public funding spent on students in government-run schools. In Quebec, Manitoba, Alberta and British Columbia, this funding is given to the independent schools to defray the cost of tuition for their

students. Public funding for students in government-run schools includes expenditures on such things as student tuition grants, principals' and teachers' salaries and pensions, expenses of school board officials and capital grants for building new schools.

In Ontario, starting in 2002, the province will make this funding available directly to parents who pay independent school tuition. They will do this through a refundable tax credit initially worth 10 percent of tuition, up to a maximum of \$700 per child. The tax credit is scheduled to grow each year for five years so that by 2006 it will be worth 50 percent of the independent school tuition, up to a maximum of \$3,500 per child. Because all the

Independent schooling in the major Canadian provinces (home to 92 percent of the population) is aided by government funding, either by direct subsidy to independent schools (in four provinces) or (starting in 2002 in Ontario) by a refundable tax credit to parents who use them.

other data cited here are taken from the school year 2000-2001, and the tax credit does not take effect until 2002, Ontario is not given credit for any independent school funding in this Index.

Funding to Students Attending For-Profit Schools

Allowing Canadian for-profit schools to accept public funding encourages competition in schooling for the benefit of all students. The profit motive is an incentive for educators to open schools and compete for students.³⁰ This variable asks whether or not funding is available to students in for-profit schools.

Number of Years a School Must Operate Before it is Eligible to Receive Funds

Some provinces make public funds available to students at independent schools regardless of the length of time they have been in operation; other provinces demand that independent schools operate on parental tuition and other private funds for some years before they are eligible to receive public funding. Provinces that delay grants to independent schools place the financial viability of start-up schools in jeopardy. By making it more difficult for new schools to be established, these provinces effectively reduce the educational options available to parents. Regulations that

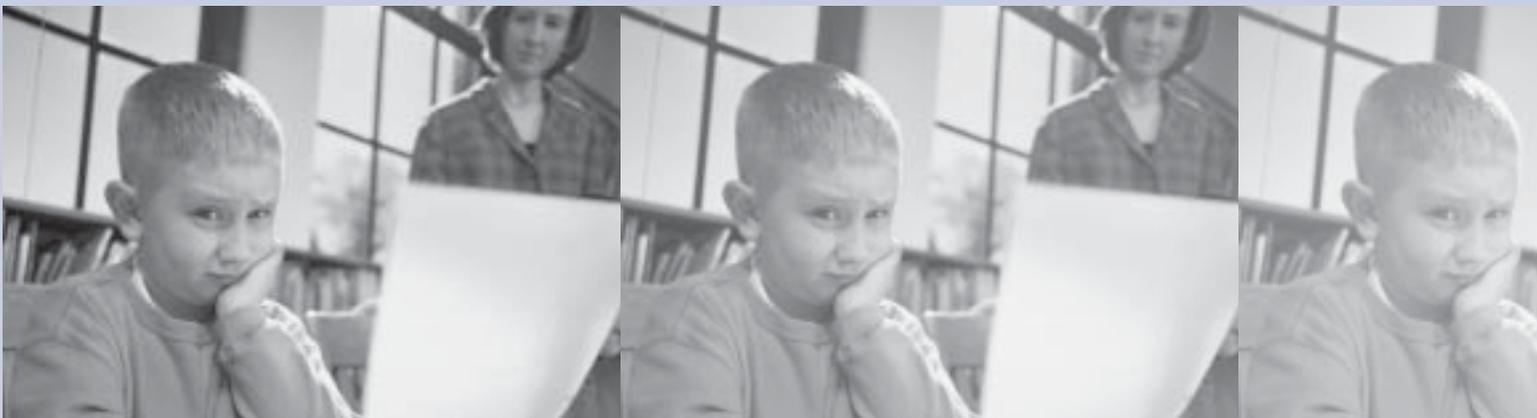
delay funding imply that parents do not have the equal right to choose a newly established school for their child, even if they believe that school would offer them the best education. Only parents who can afford to pay the full tuition have the option to attend these schools.

Government Approval of Curriculum

Provinces that allow independent schools curricular freedom maximize parental freedom to choose their children's education. The freedom to choose a school because of its unique curriculum is an important educational freedom that is not recognized in all provinces. As the United Nations Declaration of Human Rights (Article 26) states, parents should have the right to choose the kind of education that their children receive. Any attempt by the government to limit parental choice of curriculum is not only in clear opposition of this human right but also in opposition to Canada's democratic character.

Teacher Certification

Certification can increase the cost of teachers and limits the pool of applicants but does not provide any guarantee of teaching quality. In fact, a recent review of 50 years of literature on teacher certification found that teacher certification was "neither an efficient nor an effective means by which to ensure a competent teaching force. Worse,



it is often counterproductive.”³¹ Educational choices decrease when certification requirements prevent schools from choosing the best person for the job.

Regulatory Burden

Provinces may also restrict choice in education by imposing regulations on independent schools that cover all aspects of their operation. Regulations impose costs on schools and results in higher school fees for parents and students.

There is a wide variation in the amount of regulation imposed by each of the provinces. Quebec has the most regulations concerning independent schools, with a total of 185 sections that deal directly with the provision of independent education. In contrast, Ontario simply states that a child may attend an independent school, for a total of one section in all the provincial legislation.

This measure calculates the number of sections directly dealing with independent education by adding the number of sections found in the provincial statute to the number of sections in the various provincial regulations (if any). This indicator does not include any measurement of Minister’s Directives.

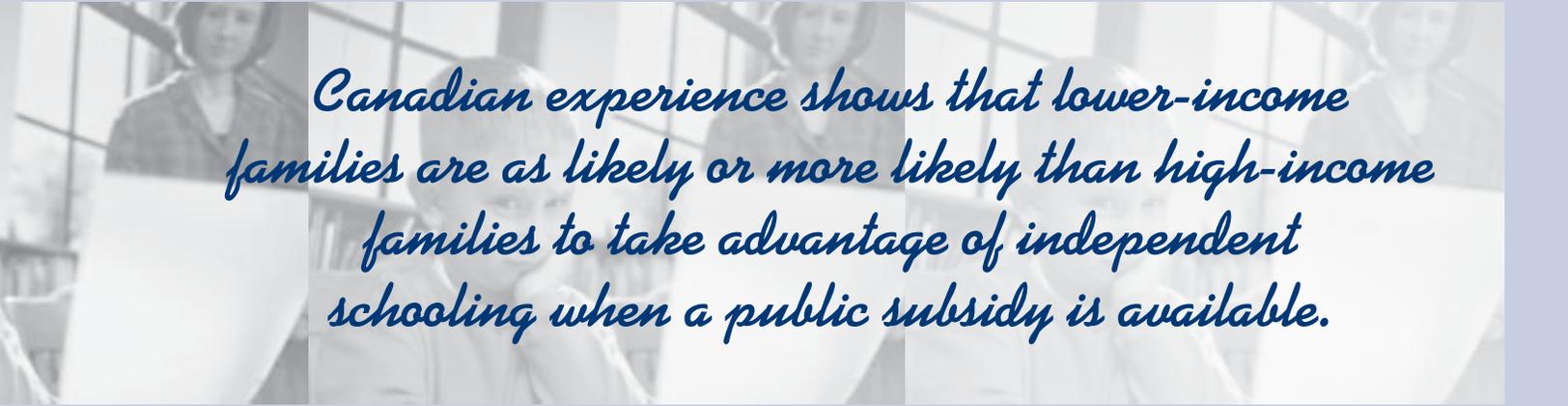
Public Schooling

The Public School Indicator measures the amount of educational choice offered by each province. It does not attempt to measure the public-school choices made available by local school boards, which may or may not include a variety of alternative schools, magnet schools and immersion language programs.

Public school choice is measured here with two indicators. The first measures the choice of public school districts the average family in each province has. These choices may include Francophone, Anglophone, Catholic, Francophone Catholic and Protestant schools, which are available to selected populations in some provinces across the country in addition to the regular public district schools. The second measure calculates the freedom to choose charter schools, which offer another more flexible public school choice in the one province where they exist.

Choice of Public School Districts

In addition to the regular district schools that are available to everyone, each province offers the choice of a Francophone (or, in Quebec and New Brunswick, Anglophone) education to the eligible linguistic minority. Eligibility criteria differ from province to province, ranging from a requirement to be proficient in the language of study before enrollment, to the parents having received a



Canadian experience shows that lower-income families are as likely or more likely than high-income families to take advantage of independent schooling when a public subsidy is available.

portion of their elementary education in the language.

Some provinces also offer a fully funded education taught from a Catholic or Protestant perspective. Ontario, Saskatchewan and Alberta each provide full public funding for Separate schools, which are Catholic or Protestant in Saskatchewan and Alberta, and Catholic in Ontario. Further, Catholic education in both Alberta and Ontario is available in both English and French, for those who qualify for Francophone schooling.

The value of these district choices, both linguistic and religious, depends both on how accessible their schools are to the families that want them and how much of the population is allowed to use them. Most provinces that offer Separate and Francophone districts do not make them available in all areas. As a result, there are often varying degrees of choice within provinces. For example, Alberta offers a fully funded French Catholic education but makes it available only in one region of the province; English Protestant education is available but only in one Alberta city.

The value of these district choices, both Francophone and Separate, are also dependent upon their relevance to the population as a whole. Populations with a high concentration of Francophones will benefit more from the choice of a Francophone district than a population with

relatively few Francophones. For example, in New Brunswick, where 33 percent of the total population is Francophone and another 35 percent of the population is bilingual, Francophone education is more relevant than it is in British Columbia, where only 1.5 percent of the population is Francophone.

In conclusion, provinces can increase their score on this measure by identifying the characteristics of their student population and providing them with attractive, accessible choices. In addition to religious and language-based schools, there are many other possibilities for specialization of publicly funded schools. Examples include academically intensive schools, Montessori schools, year-round schools, single-sex schools, special-needs schools and arts schools, to name a few. Also, provinces that have a large population of non-English speakers — such as British Columbia where nearly 20 percent of the population's mother tongue is neither English nor French — should consider the merit of districts that teach in both English and another language, such as Cantonese.

The creation of new school districts to meet the educational tastes of a province is not likely to be very efficient. Provinces must plan districts centrally, without knowing the type of schooling parents want in each community. More choice of public school districts, while better than no choice,



is a cumbersome and expensive way of adding educational options. A more flexible approach is offered by charter schools.

Choice of Charter Schools

Charter schools are schools that are organized by groups of parents and educators with similar educational philosophies, and who want an alternative to the schools available in their area. Provincial legislation for charter schools establishes in public authorities — such as the Ministry of Education, local school boards or universities — the power to grant a charter to groups whose proposed educational plan satisfies them.

Charter schools may not select students by ability or charge tuition, they must adhere to all provincial health, safety and building standards and are subject to all the laws and regulations that apply to other societies and entities registered under the Societies Act and Companies Act. A province has the right to revoke the charter if the school fails to meet all laws and regulations or does not provide a satisfactory education to its students. In return, the province provides charter schools with a per-pupil operating grant equal to that of a regular public school and the freedom to manage the school.³²

Charter school choice is the second measure of the Public School Indicator. The provincial Charter

Province	District	Availability	Score
NF	Public	100%	1.003
	Francophone	0.3%	
PE	Public	100%	1.025
	Francophone	2.5%	
NS	Public	100.0%	1.026
	Francophone	2.6%	
NB	Anglophone	69.3%	1.350
	Francophone	30.7%	
	Bilingual	35.0%	
QC	Public	100.0%	1.104
	Anglophone	10.4%	
ON	Public	100.0%	1.320
	Francophone	0.9%	
	Catholic	27.6%	
	French Catholic	3.5%	
MB	Public	100.0%	1.023
	Francophone	2.3%	
SK	Public	100.0%	1.210
	Francophone	0.6%	
	Catholic	20.4%	
	Protestant	0.1%	
AB	Public	100.0%	1.236
	Francophone	0.5%	
	Catholic	21.8%	
	French Catholic	0.1%	
	Protestant	1.2%	
BC	Public	100.0%	1.005
	Francophone	0.5%	

More choice of public school districts, while better than no choice, is a cumbersome and expensive way of adding educational options.

School score is obtained by determining how easy it is to form charter schools in a given province.

Legislation

The first barrier, and first measure, is whether or not provinces have enacted legislation making it possible to form charter schools. Alberta is the only province with charter school legislation and, even in Alberta, parents and educators still face a number of barriers to choosing charter schools. The weakness of the legislation, governance and funding policies have deterred the formation of more than a handful of charter schools in the province. A group requesting charter status must make a proposal to the local school board, which then decides whether to grant or deny the request. If the request is denied, the application may be sent to the Department of Education for review and a new ruling. To date, only one charter school application has been approved by the local school board. Alberta's Department of Education has granted the rest of the charter school applications after a request for review.

Limited Numbers

The second measure is whether or not the number of charter schools is limited. If the limit is low, most people never have the option of a charter school education. A limit on the number of charter schools may also limit the amount of educational

diversity that each province can achieve. In Alberta the number of charter schools is limited to 15.

Number of Chartering Authorities

The third measure addresses the issue of the number of chartering authorities to which groups of parents and educators may send their applications and ask for reviews. Provinces that allow only one chartering authority may seriously limit the number of charter schools approved, particularly if that authority stands to lose funding and students for every charter school it approves. This has been the case wherever the local school board has been given the authority for charters.

Full Funding

The last measure addresses the issue of funding. Provinces that do not provide full funding for charter schools, specifically tuition grants and capital funding for buildings, severely hamper efforts to offer alternatives. Alberta is the only province to provide funding to charter schools, but it does not provide 100 percent of the funding offered to other public schools.

Increasing a Score

In order for a province to increase its score on the Public School Indicator, it will have to increase its public school choices. In order to do this, provinces may increase the number of alternative



districts, make them more accessible, more relevant or all three. A more effective and efficient way of providing choice might be to establish charter school legislation, which would allow schools that are designed by, and tailored to, the educational needs of a particular community. Effective charter school legislation eliminates the need for central planning by the province, and allows locally managed public schools to meet the needs of many in the population who are dissatisfied with their current educational options.

In conclusion, the Charter School Indicator is the only one in which Canada falls behind the United States. While 36 of the 50 American states have charter school legislation and a constantly growing supply of charter schools in most of them, only one Canadian province has adopted this innovative hybrid of publicly funded, independently managed school. Alberta's charter legislation is significant for Canada but unimpressive by American standards.

Educational Freedom in Canada: A Diverse Collection of Parental Choices

Canada's ten provinces are home to a diverse collection of education policies and offer wide variety of educational choices. Freedom and

Charter School Indicator

Province	Charter School Legislation	Limit on Number of Schools	Number of Chartering Authorities	100% Funding Available
NF	No	0	0	No
PEI	No	0	0	No
NS	No	0	0	No
NB	No	0	0	No
QC	No	0	0	No
ON	No	0	0	No
MB	No	0	0	No
SK	No	0	0	No
AB	Yes	15	2	No
BC	No	0	0	No

support for homeschooling, public funding for independent schools, and a choice of publicly funded school districts and charter schools are among the best. Some or many of these policies are available to 92 percent of Canadians but none are currently available to all. If educational choice matters, as a growing body of parents, teachers and education reformers believe it does, then these facts should provide inspiration for improvement. Citizens and governments in both Canada and the United States can find models for how their local education system can be improved, and their commitment to educational freedom and excellence for all students can finally be realized.

Canada's ten provinces are home to a diverse collection of education policies and offer wide variety of educational choices. Freedom and support for homeschooling, public funding for independent schools, and a choice of publicly funded school districts and charter schools are among the best.



Equity, Quality and Accountability: The Impact of Independent School Funding

Canada's experience shows that independent school funding is not only fair but also consistent with the main objectives of a public school system, which include equity, quality and accountability.

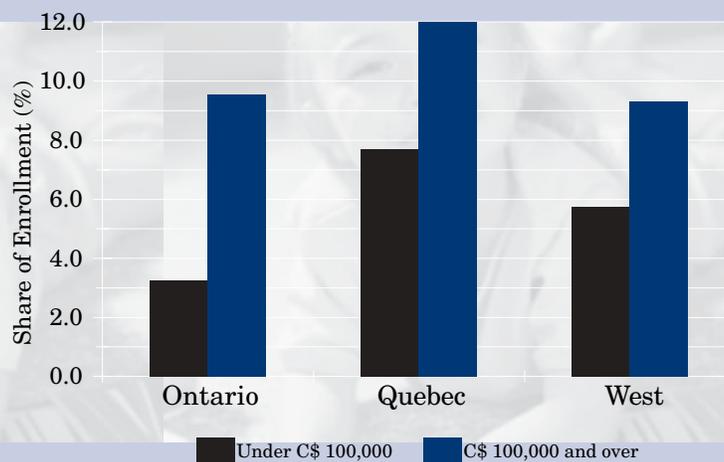
Equity

A common charge against independent school funding through vouchers or tax credits is that it is somehow unfair to public schools and those who attend them. What Canadian experience highlights, however, is that extending public support beyond regular public schools can provide new opportunities for the less well-off families who are most likely to be poorly served by public

schools. Among Canadians, as among Americans, polls tend to find that poor families are more critical of public schools than their wealthier counterparts. One obvious reason for this finding is that school quality varies by neighborhood and families who are less well-off have less access to neighborhoods with better schools. Independent school funding levels the playing field for families who are less well served by regular public schools. Without independent school funding, only families with ample means or in a position to make financial sacrifices can afford to enroll their children outside regular public schools. With independent school funding, that choice is available more widely.

Figure Six
Share of Independent School Enrollment by Family Income Level, by Region

Note: Vertical scale is truncated. High-income Quebec figure is 22.9 percent.

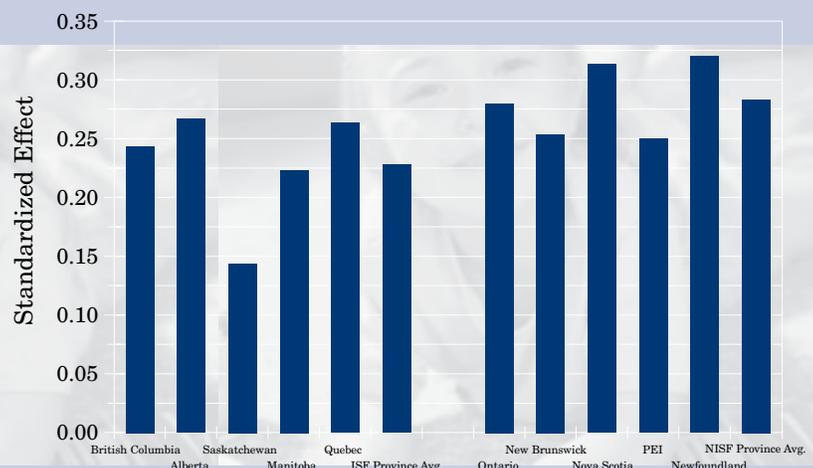


Canadian experience shows that lower-income families are as likely or more likely to take advantage of independent schooling when a public subsidy is available. In Ontario, where independent school funding is not yet established, only 3.2 percent of children from families with incomes under C\$100,000 (approximately U.S. \$62,000 at the current exchange rate) attended independent schools in 1998-1999; in the western provinces, including British Columbia and Alberta, 5.7 percent of children from such families attend independent schools, and in Quebec, 7.7 percent do so. Relative to their Ontario counterparts, then, western families with incomes under C\$100,000 were almost 80 percent more likely to send their children to independent schools and Quebec families in the same income range were 2.4 times likelier to do so. Among children from Ontario families with incomes of C\$100,000 or more, 9.5 percent attended independent schools; in the west, 9.3 percent did so, and in Quebec, 22.9 percent did so (Figure 6). Relative to their Ontario counterparts, better-off Quebec families were 2.4 times likelier to send their children to independent schools — exactly the same margin as for their less well-off counterparts; remarkably, children from better-off western families were three percent *less* likely to send their children to independent schools, despite the existence of public subsidies.

The share of children attending independent schools in the west who came from lower-income families was thus considerably higher than was the case in Ontario, while the share of children from higher-income families in the west was *lower* than that in Ontario — a striking illustration of the disproportionate benefit to lower-income and modest-income families from funding independent schools.³³ In the western provinces, this tendency is even more evident at more modest income levels: the share of children attending independent schools who came from families with annual incomes under C\$50,000 was 6.9 percent, 2.75 times the 2.5 percent from such families attending independent schools in Ontario.

Another common criticism of independent school funding by governments is that the policy will promote stratification in student achievement and more unequal outcomes. Canadian experience, however, documented by the recently released PISA study, supports a more optimistic view.³⁴ A striking feature of the PISA study is that Canadian provinces where test scores are more widely dispersed and where socioeconomic status is a stronger predictor of achievement tend to be the provinces where there is no independent school funding. The results of Ontario and the Atlantic provinces, (the provinces marked NISF in Figure 7) stand in stark contrast to those of Alberta, British Columbia and Quebec (those marked ISF

Figure Seven
PISA: SES/
Achievement
Correlation in
Province With and
Without ISF



in Figure 7). This fact does not, of course, prove that independent school funding is responsible for more equal achievement scores.³⁵ But it makes the contrary claim — that independent school funding undermines equity — hard to credit.³⁶

Socialization

Another charge leveled by critics of public funding for independent and religious schools is that such schools are socially divisive, and that only common public schools will produce tolerance and other attitudes that are necessary in modern multicultural societies. But this view — which is as intolerant as the attitudes it professes to dislike — is too rosy about public schools and unfairly condemnatory of independent and religious schools, as Canadian experience attests.

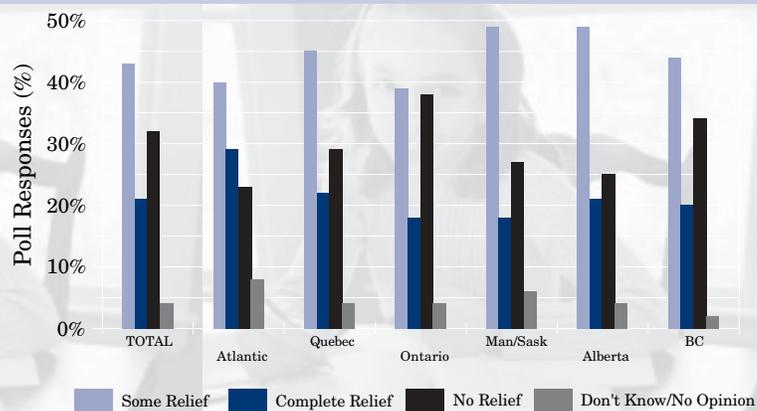
Independent and religious schools are at least as likely to have students of mixed social and economic backgrounds as are public schools. Public schools generally enroll students from within their catchment areas, and catchment areas tend to be socially and economically homogeneous. Other schools must attract families on the basis of distinctive instruction or learning environment and draw from a wider social and economic population.³⁷

As for attitudes, funding for independent schools has existed in Canada for decades, and

funding for religious schools has existed for well over a century. There is thus a long historical record on which to judge whether graduates of these schools are in any way worse citizens than graduates of regular public schools. The answer is clearly no. Canada's Catholic and independent schools, like their U.S. elementary, secondary and post-secondary counterparts, have produced some of Canada's most outstanding leaders, including each of the five most recent prime ministers.

The benign nature of public funding for independent and religious schools has clearly registered with Canadians. Indeed, many Canadians would put the case more strongly than this, arguing that a liberal, multicultural society ought, as a matter of principle, to support parental choice and diversity.³⁸ Polls show that a majority of citizens in all provinces — those with independent school funding and those without it — support the concept that, when students attend independent schools, the funds that would have gone to a government-funded school should flow to the independent schools instead (Figure 8).³⁹ Likewise, roughly two-thirds of those with an opinion on the subject in all provinces support the concept that parents who send their children to independent schools should get full or partial relief from the property taxes they pay to support the publicly funded system (Figure 9).⁴⁰

Figure Eight
How Much Tax Relief for Parents with Children in Independent Schools?



Those who claim that public funding of independent schools might promote religious influence in public life receive no support from Canadian experience: Canadian society has become more secular than that of the United States despite the difference in their systems.

In Canada, as in the United States, many public school teachers send their children to independent schools — if U.S. experience is a guide, teachers are likelier than the average parent to do so.⁴¹ In view of the hostility of teacher unions to independent schools, it warrants pointing out that they would not send their children to these schools unless, like other parents, they trusted them to teach good citizenship at least as well as their public counterparts.

Quality

A further objection to independent school funding is that it will cause a mass exodus from public schools, starving the public system of resources and forcing closures. This astonishing attempt to defend the status quo — effectively arguing that the public system is so bad that everyone must be forced to stay in it — gets no support from Canadian experience. The truth is more subtle and more positive.

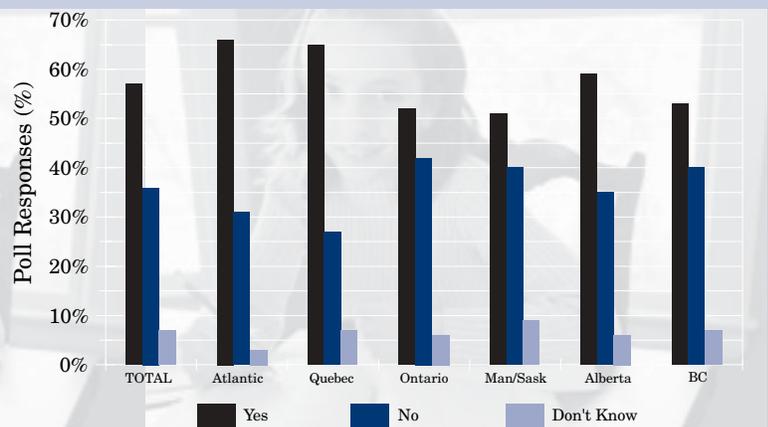
Enrollment in Catholic and independent schools is higher in provinces that fund them than

in provinces that do not. But, as the evidence cited above shows, the increased enrollment is proportionately greater among families with more modest incomes — and, to repeat, the power of socioeconomic status to predict achievement is lower in provinces that fund independent schools.⁴²

Despite the possible benefits of independent school funding for the families that use it, the public schools in the provinces that fund Catholic and independent schools are not empty — they still enroll the vast majority of students. Enrollment in Catholic and independent schools is growing faster than enrollment in regular public schools, but both are growing. Schools react to competition like other institutions — they improve the quality of their offerings. A representative of the Federation of Independent Schools in Canada has commented that the better performance of public schools in the western provinces may produce a decline in independent school enrollment in the years ahead.⁴³

The other claim, that the quality of instruction in independent schools will be inferior because of unqualified teachers or poor resources, is equally untrue. When independent schools receive no public money, resource constraints will affect teacher salaries and other expenses. But what school ever competed for students on the basis of bad teachers and shoddy facilities? Unlike public systems, in which 50 cents of every dollar may be

Figure Nine
Should Public Money
Follow Children to
Independent Schools?



spent outside the classroom, independent schools have more flexible management, making it easier to put the best person in each classroom, and get more bang for each dollar spent.

Accountability

Finally, critics charge that independent schools will get public money without being accountable to taxpayers. This fear has a counterpart among supporters of independent schools, especially religious schools — that public funds will come with so many strings attached that the distinctive qualities of their schools will disappear. The feasibility of balancing accountability and autonomy is another lesson from Canadian experience.

In Canada, public funding comes with several key requirements. Independent schools that receive public grants must follow key elements of the provincial curriculum and measure their students' accomplishment by the provincial standards. With public funds comes the necessity for audit and inspection. Where there is suspicion that independent schools may be teaching poorly or inappropriately, the greater transparency that comes with public funding can be a force for good.

As for school independence, there is no requirement that a school accept money. If normal political processes are insufficient to preserve the

balance between accountability and autonomy — and the widespread acceptance of funds by schools in provinces that offer it suggests that they are sufficient — a school can always opt back out of the funding system. When Catholic schools became fully funded in Ontario, there were some that accepted the money, only to decide later to become independent.⁴⁴ Canadians have risen to the challenge of managing this relationship successfully; Americans would doubtless do the same.



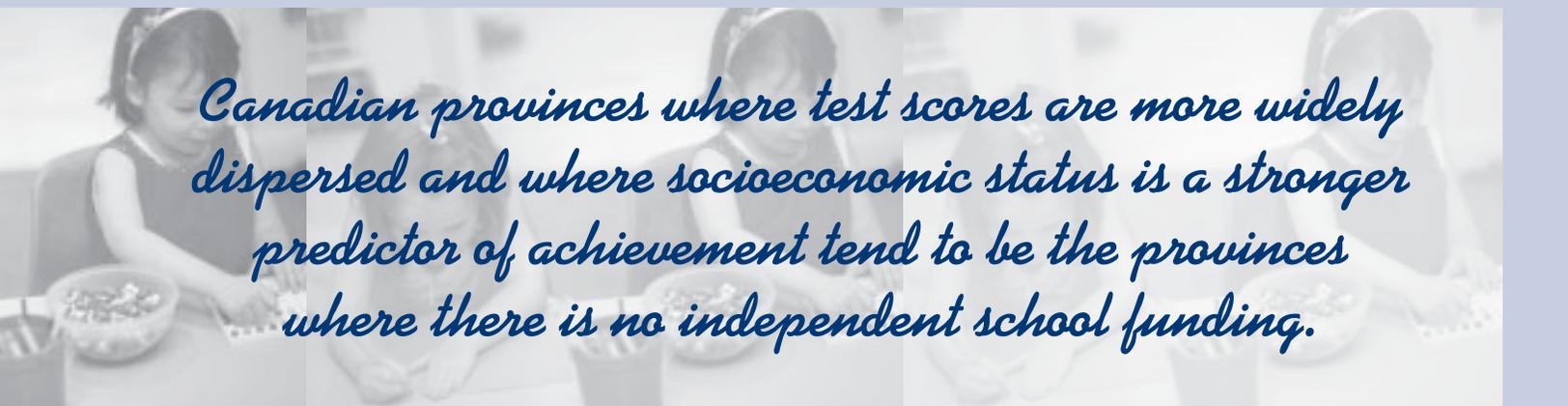


Conclusion: Learning from Success

Americans and Canadians share the ideal of high-quality education for their children. Canadians have a tool Americans could use in achieving it.

Canada's provinces show how independent school funding can work to improve the equity, socialization, quality and accountability of education in the United States. Four provinces

provide public money on a per-student basis to independent schools that meet certain basic criteria. One province, Ontario, is establishing refundable tax credits to put education dollars back in the hands of parents who pay independent school tuition. This move testifies to the success of independent school funding and lights a road Americans could follow.



Canadian provinces where test scores are more widely dispersed and where socioeconomic status is a stronger predictor of achievement tend to be the provinces where there is no independent school funding.





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Endnotes

- ¹ Statistics Canada (1999, 56-58).
- ² A useful summary of the IAEP I and II tests can be found at www.nap.edu/readingroom/books/icse/study_h.html (accessed 12 December 2001). For a summary of these and other international test scores, see www.oqe.org/bkgrnd4.html (accessed 12 December 2001).
- ³ Bussière et al. (2001, 50-51). Both the United States and Canada had relatively high exclusion rates on this test — around 4 and 5 percent respectively (OECD 2001, 232). Relatively high exclusion rates inevitably raise suspicions about comparability, but for bilateral comparisons, the similar rates probably make them less of a concern.
- ⁴ In addition, the large samples allowed comparisons between English and French language education in provinces where both are offered. In all, 30,000 students wrote the tests. Native students were explicitly not sampled in the study.
- ⁵ The scores of Canada's best-performing provinces were on a par with the best countries in the study.
- ⁶ For a brief review of recent efforts in the standards movement in the United States, see CED 2001, 5-7.
- ⁷ Bishop (1998) surveys some evidence on the value of exit tests. The Canadian provinces with higher average achievement scores and less dispersion in the scores have exit tests, while Ontario and the Atlantic provinces do not.
- ⁸ See Hoxby (forthcoming) for some state-of-the-art examples.
- ⁹ Charter schools are now operating in 36 U.S. states and one Canadian province, with some 520,000 students enrolled. A useful summary of open-enrolment and voucher initiatives in the United States, as well as polling data on school choice, can be found in Center for Education Reform (2001).
- ¹⁰ Glenn (forthcoming) provides a useful account of the historical and legal background for religious schooling in Canada.
- ¹¹ In the words of a Canadian Supreme Court decision regarding a change in school-board funding in Ontario, "Under s. 93 of the Constitution Act, 1867, the province has exclusive jurisdiction to legislate with respect to education, but it cannot prejudicially affect a right or privilege affecting denominational schools enjoyed by a particular class of person by law in effect at the time of Confederation. The animating principles of s. 93 are religious freedom and equitable treatment." (OECTA v. Ontario [2001] 1 S.C.R. 470, available on line at www.lexum.umontreal.ca/csc?sc/en/pub/2001/vol1/html/2001scr1_0470.html.)
- ¹² The provinces of Quebec and Newfoundland recently voted to restructure their school systems along nondenominational or linguistic lines.
- ¹³ See the section on Educational Freedom in Canada for more details on "separate" and independent school funding and policies.
- ¹⁴ The portion of tuition in independent religious schools that is applicable to religious instruction is eligible for the standard income-tax credit for charitable donations.

- ¹⁵ British Columbia (1999b).
- ¹⁶ Useful summary information on current funding arrangements, regulations, and attendance in connection with independent schools in Canada can be found in FISC (2000). Historical information on these arrangements can be found in Easton (1988, Chapter 5)
- ¹⁷ Alberta (1998).
- ¹⁸ Duthler (1999, 3).
- ¹⁹ Information on the regulations affecting Alberta's funded independent schools can be found at www.learning.gov.ab.ca/educationguide/pol-plan/polregs/361.asp, and in FISC (2000, 10).
- ²⁰ FISC (2000, 9); see also Duthler (1999, 3).
- ²¹ Ontario (2001, p. 95).
- ²² As noted earlier, tuition related to religious instruction is eligible for a separate tax credit for charitable donations. Under Canadian tax law, a portion of tuition fees attributable to child-care expenses are also deductible from taxable income.
- ²³ See *Equity in Education Tax Credit Background*, Ministry of Finance, Government of Ontario, December 17, 2001.
- ²⁴ The bulk of independent schools in Quebec are Catholic schools.
- ²⁵ Quebec (2001).
- ²⁶ The province of Saskatchewan also funds a small number of independent schools but these arrangements are based on historical relationships and do not represent an inclusive funding model.
- ²⁷ The Ontario credit will provide a 50-percent offset to tuition costs up to C\$7,000 annually. It would be simpler and more generous to less expensive independent schools to provide a set proportion of the public-school grant.
- ²⁸ Jacqueline Luffman, "A Profile of Home Schooling in Canada," *Education Quarterly Review*, Winter 1997, Catalogue 81-003-XPB, Statistics Canada.
- ²⁹ Some provinces offer independent schools a choice of funding levels, each with its own set of regulations. For example, British Columbia has three categories of independent schools, each with its own level of funding and regulation.
- Group 1 schools receive the most funding and are constrained by the most regulations, Group 3 schools have the least funding and the most freedom. Group 1 schools receive 37 percent of the funding spent on students in public schools but must employ only certified teachers. Group 3 schools receive no funding but are not required to employ certified teachers. In provinces where different categories of independent school funding and regulation exist, as they do in British Columbia, the variables show the maximum funding and the minimum regulation available among all the categories. British Columbia therefore receives a score of 37 percent for the "Funding" variable and a score of "No" for the "Must Employ Only Certified Teachers" variable, although no school can qualify for both.
- ³⁰ James Tooley, *Global Education Industry: Lessons from Private Education in Developing Countries*. London: The Institute of Economic Affairs, 1999.
- ³¹ The Abell Foundation, 2001. *Teacher Certification Reconsidered: Stumbling for Quality* reviewed 150 studies before reaching this conclusion.
- ³² For more information on Canada's charter schools see Bosetti, Lynn (2001). "The Alberta Charter School Experience" in Claudia R. Hepburn, ed., *Can the Market Save Our Schools?* Vancouver, BC: The Fraser Institute. pp. 101-120.
- ³³ These data are from Statistics Canada's National Longitudinal Survey of Children and Youth (see Statistics Canada 2001).
- ³⁴ The possibility that schools outside the regular system will do a better job educating children from challenging backgrounds is born out in the fact that Catholic schools in several Canadian provinces have higher proportions of students for whom English is not a first language, yet they score higher on average on provincial reading and writing tests. See, for example, EQAO (2001).
- ³⁵ As noted earlier, Ontario and the Atlantic provinces have no high-school exit tests. This lack may also affect achievement scores.
- ³⁶ A related concern about fairness relates to admission policies. This objection can be a red

herring. In many places, public schools select students based on criteria such as musical or athletic aptitude, academic giftedness or disability. Where such practices exist, it is only fair to allow funded independent schools to do the same.

³⁷ Greene (2000).

³⁸ See Holmes (1992) and Holmes (1998).

³⁹ The question asked was: “Should parents be allowed to send their child to a parent-funded school and allocate to that school whatever government money would have been spent at a government-funded school if the child had gone there instead?” Compas (2001, Table Q8D). It is worth bearing in mind that these polls were taken while the independent-school tuition tax credit, a proposal by a government that has had acrimonious disputes with teacher unions over matters ranging from funding to curriculum to teacher certification, was under active debate, which may account for the fact that the responses in Ontario were less favourable to the proposal than in other provinces that do not currently fund independent schools, where no such controversy existed.

⁴⁰ The question asked was: “As you know, all taxpayers pay taxes in support of government-funded public schools whether they send their children there or to a parent-funded school. Should parents with children in parent-funded schools get some tax relief to help them with tuition fees; get complete tax relief to cover their

tuition fees; or pay the full cost of independent schooling without tax relief?” Compas (2001, Table Q10).

⁴¹ The matter has not received formal study in Canada as it has in the United States. In California, where an estimated 30 percent of public school teachers do so, a bill that would force teachers to enroll their children in public schools as a condition of employment in the public system is being fought by the teacher union.

⁴² Although this is not the place to dwell on U.S. experience with voucher programs, it is noteworthy that the best investigation of this question to date — careful control-versus-program-group study of voucher programs in New York, Washington, DC and Dayton, Ohio over two years — found very substantial effects on the achievement of black students (Howell et al. 2000). There is nothing in Canadian experience to suggest that the effects of more widespread subsidies to independent schools would be different.

⁴³ Duthler (1999, 2).

⁴⁴ De La Salle College in Toronto is one such example.



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www.friedmanfoundation.org



The Fraser Institute
1770 Burrard Street, 4th Floor
Vancouver, BC V6J 3G7
604-688-0221 phone . 604-688-8539 fax
www.fraserinstitute.ca