

# BACKGROUND

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## Education Choice in Puerto Rico: An Opportunity for Improved Education

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### Abstract

*In light of its struggling education system, Puerto Rican Governor Ricardo Rosselló and Secretary of Education Julia Keleher have proposed considerable and long-overdue reforms to Puerto Rico's education system. Their plans, however, go beyond curricula and classroom reforms—seeking to introduce new policy measures to make Puerto Rican schools more accountable to parents by providing greater education choice to the island's residents. The proposed education reforms are not simply due to a failing education system but are modifications that account for migration trends and economic stagnation. These changes are imperative as the tragic effects of Hurricane Maria have only expedited a regional exodus after the storm devastated many homes and schools.*

On September 20, 2017, Hurricane Maria slammed the U.S. territory of Puerto Rico, devastating homes and infrastructure and leading to loss of life across the island. Hurricane Maria's catastrophic destruction, which caused tens of billions of dollars in damage, included the destruction of school facilities across the territory. Six months after the storm, hundreds of schools remained without power, and an estimated 22,300 school-age children had left the island—about one in three students. The storm greatly exacerbated the problems of a school system already in crisis: Puerto Rican fourth and eighth graders, for example, are roughly *five grade levels* behind their U.S. mainland peers in mathematics.

In the wake of the storm, Puerto Rico Secretary of Education Julia Keleher, along with Governor Ricardo Rosselló, have pledged to support two new education reforms in the 2018 Puerto Rico Edu-

### KEY POINTS

- Six months after Hurricane Maria, hundreds of Puerto Rican schools remained without power—and an estimated 22,300 school-age children had left the island.
- To help overhaul the school system, the Governor and Education Secretary have authorized special "Alianza" schools. These schools are government-funded but independently operated charter schools with a special emphasis on bilingual and STEM education.
- Three facets of a strong charter school option will be particularly important to pursue in the future: having multiple authorizers, keeping regulations at a minimum, and increasing the number of seats available to interested students.
- In 2018, the territorial government also passed a school voucher option, which will take effect during the 2019-2020 school year.
- In order for private school choice to flourish in Puerto Rico in the years to come, stakeholders should keep regulations to a minimum to maximize private school participation in the new voucher program, catalyze new schools to open, and provide children with a diverse array of education options.

This paper, in its entirety, can be found at <http://report.heritage.org/bg3358>

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ational Reform Act.<sup>1</sup> The first major reform takes immediate effect and introduces “Alianza” schools, which are government-funded but independently operated charter schools. The Alianza schools will have a special emphasis on bilingual and STEM education. During the 2019–2020 academic year, the Puerto Rican Department of Education will also begin implementation of a pilot scholarship program that will provide funds to parents to pay for tuition at the private school that is best for their child. In particular, the scholarships will help students who are low-income, have been victims of bullying or sexual harassment, or who have special needs to attend a private school or take university-level courses.

This paper discusses the reforms underway in Puerto Rico to modernize the territory’s K–12 education system (as well as legal challenges to those reforms) and considers lessons learned from reforms in another storm-ravaged area: New Orleans, Louisiana. It concludes with recommendations for empowering Puerto Rican families with education choice and other reforms needed to maximize educational opportunity for children on the island. In the wake of the devastation wrought by Hurricane Maria, the opportunity for education reform is a silver lining.

### The State of Education in Puerto Rico

Outcomes on the National Assessment of Educational Progress (NAEP), a nationally norm-referenced achievement test given to U.S. students in grades four and eight and to students in U.S. territories such as Puerto Rico, illustrate the Puerto Rican education system’s challenges. In 2017 as in previous years, test takers were accommodated with Spanish tests, but the results were abysmal—with Puerto Rico students scoring lower in math than students in Washington, D.C., and below Native American

students, many of whom attend Bureau of Indian Affairs schools, recently deemed “the worst schools in the country.”<sup>2</sup> (Puerto Rican students do not participate in the NAEP reading assessments.)

In 2011, fourth-grade Puerto Rican students scored nearly six grade levels lower than their peers on the U.S. mainland in mathematics. The 2017 NAEP results showed small improvements, with Puerto Rican students scoring approximately five grade levels below the national average.<sup>3</sup> Similarly, eighth-grade Puerto Rican students scored well below the national average in 2011, trailing mainland students by nearly seven grade levels. By 2017, eighth-grade students increased their math performance by seven points, but still remain more than five grade levels below the national average.<sup>4</sup> Puerto Rican mathematics performance is below that of all tested states on the NAEP, such that other struggling states look good by comparison.

In 2017, Puerto Rican fourth graders performing at or above the basic level increased 4 percentage points to 15 percent. Just 9 percent of eighth graders scored at or above the basic level in math. Students who perform at the “basic” level show some understanding of mathematical concepts in their respective grade levels, while students who perform at the “proficient” level have internalized the mathematical principles and can apply them to more complex problems.<sup>5</sup> *Zero percent* of Puerto Rican fourth and eighth graders scored at the “proficient” level in math.

The inadequacy of Puerto Rican schools is also illustrated by relatively low levels of academic attainment. Among the population of Puerto Ricans ages 25 years and older in the year 2000, four out of 10 had not received a high school diploma—about double the rate of the mainland population.<sup>6</sup> Low levels of high school diploma attain-

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1. The 2018 Puerto Rico Education Reform Act, March 29, 2018, [http://www.oslpr.org/legislatura/tl2017/tl\\_busca\\_avanzada.asp?rcs=P%20C1441](http://www.oslpr.org/legislatura/tl2017/tl_busca_avanzada.asp?rcs=P%20C1441) (accessed September 5, 2018).

2. Maggie Severns, “How Washington Created Some of the Worst Schools in America,” *Politico*, November 25, 2015, <https://www.politico.com/story/2015/11/how-washington-created-the-worst-schools-in-america-215774> (accessed August 29, 2018).

3. U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, National Assessment of Educational Progress, various years, Mathematics Assessment, [https://www.nationsreportcard.gov/math\\_2017/#/?grade=4](https://www.nationsreportcard.gov/math_2017/#/?grade=4) (accessed August 29, 2018).

4. *Ibid.*

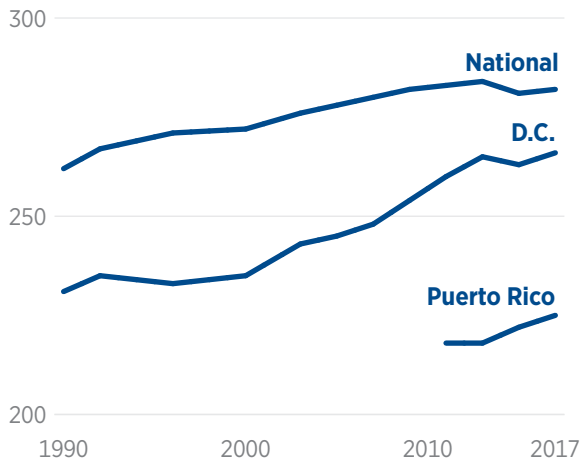
5. U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, National Assessment of Educational Progress, The NAEP Mathematics Achievement Levels by Grade, <https://nces.ed.gov/nationsreportcard/mathematics/achieve.aspx> (accessed August 31, 2018).

6. Neil Allison and Arthur MacEwan, “Students Dropping Out of Puerto Rico Public Schools: Measuring the Problem and Examining the Implications,” University of Massachusetts *Working Paper*, 2003, <http://economia.uprr.edu/ensayo%20125.pdf> (accessed September 5, 2018).

CHART 1

## NAEP Scores

NATIONAL ASSESSMENT OF EDUCATIONAL  
PROGRESS: EIGHTH-GRADE MATH SCORES



**NOTES:** NAEP math scores collection for Puerto Rico began in 2011. Some figures have been interpolated.

**SOURCES:** National Center for Education Statistics, "NAEP Mathematics Report Card," [https://www.nationsreportcard.gov/math\\_2017/#/states/scores?grade=8](https://www.nationsreportcard.gov/math_2017/#/states/scores?grade=8) (accessed August 28, 2018), and National Center for Education Statistics, "2017 Mathematics State Snapshot Report," <https://nces.ed.gov/nationsreportcard/subject/publications/stt2017/pdf/2018038PR8.pdf> (accessed August 28, 2018).

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ment combined with poor academic performance (as evidenced by NAEP scores) underscore the pre-storm struggles endemic in Puerto Rico's education system.

## Fiscal and Population Struggles

Ongoing economic hardships have forced many Puerto Ricans to relocate to the U.S. mainland. In the early 2000s, the number of Puerto Ricans living on the mainland was approximately the same as the number living on the island. However, Puerto Ricans exited the island in considerable numbers over the past decade, leaving for the mainland and better economic opportunity. A 2015 Pew Research census showed that the Puerto Rican population on the mainland had increased to 5.5 million people, while at the same time, the Puerto Rican population on the island decreased to only 3.5 million people—and the number of Puerto Ricans leaving the territory only continues to grow.<sup>7</sup> Between 2004 and 2016, Puerto Rico lost 12 percent of its population as a result of outward migration, losing 89,000 people in 2015 alone.<sup>8</sup>

The population displacement was only accelerated by Hurricane Maria. In fact, analysts anticipate that Puerto Rico's population will decrease by 14 percent by 2019.<sup>9</sup> In the 50 days immediately following the hurricane, Puerto Ricans fled the island at a rate of 1,800 people per day.<sup>10</sup> For instance, Gini Marxuach's son, Rocco Marquez, was a senior in high school when Hurricane Maria struck. Knowing that her son's future rested on completing his education, Gini sent her son to finish his senior year in Florida, where he lives with family friends. Rocco's story personifies that of many other Puerto Rican school children who left the island to finish their educations.<sup>11</sup>

Over 40 percent of Puerto Ricans who left Puerto Rico due to the hurricane devastation moved to Florida.<sup>12</sup> The number of Puerto Ricans who plan to permanently remain on the mainland and those who intend only a temporary stay remains unclear.

7. Jens Manuel Krogstad, "Puerto Ricans Leave in Record Numbers for Mainland U.S.," Pew Research Center, October 14, 2015, <http://www.pewresearch.org/fact-tank/2015/10/14/puerto-ricans-leave-in-record-numbers-for-mainland-u-s/> (accessed July 23, 2018).
8. Jens Manuel Krogstad, Kelsey Jo Starr, and Aleksandra Sandstrom, "Key Findings About Puerto Rico," Pew Research Center, March 29, 2017, <http://www.pewresearch.org/fact-tank/2017/03/29/key-findings-about-puerto-rico/> (accessed July 23, 2018).
9. Edwin Melendez and Jennifer Hinojosa, "Estimates of Post-Hurricane Maria Exodus from Puerto Rico," Center for Puerto Rican Studies *Research Brief* No. 2017-01, p. 5, [https://centrop.hunter.cuny.edu/sites/default/files/RB2017-01-POST-MARIA%20EXODUS\\_V3.pdf](https://centrop.hunter.cuny.edu/sites/default/files/RB2017-01-POST-MARIA%20EXODUS_V3.pdf) (accessed August 29, 2018).
10. Natalie Jaresko, Noel Zamot, and Angel Perez Otero, "Examining Challenges in Puerto Rico's Recovery and the Role of the Financial Oversight and Management Board," testimony before the Committee on Natural Resources, U.S. House of Representatives, November 7, 2017, <https://naturalresources.house.gov/calendar/eventsingle.aspx?EventID=403224> (accessed July 23, 2018).
11. John Yang, "Puerto Rico's Education System Hangs in the Balance Amid Hurricane Maria Exodus," PBS NewsHour, February 6, 2018, <https://www.youtube.com/watch?v=UmZjsBwp8ro> (accessed July 23, 2018).
12. Victor Martinez et al., "Puerto Rico Post-Maria," Center for Puerto Rican Studies, March 2018, [https://centrop.hunter.cuny.edu/sites/default/files/PDF/puerto\\_rico\\_post\\_maria-2018-final.pdf](https://centrop.hunter.cuny.edu/sites/default/files/PDF/puerto_rico_post_maria-2018-final.pdf) (accessed July 23, 2018).

TABLE 1

## School Enrollment of Post-Maria School-Age Children and Predicted Estimates by Selected States

	Puerto Rican Children Population (2016)	Average of School-Age Migrant Children (2013-2016)	Lower Bound	Upper Bound	School Enrollment Data
All States	1,220,906	13,050	22,710	42,771	n/a
Select States	972,578	10,732	—	—	22,247
Florida	227,430	4,955	9,666	15,408	11,554
Pennsylvania	114,620	1,652	880	9,840	2,599
Texas	44,204	1,227	866	5,988	n/a
New York	215,141	756	1,102	3,087	2,218
Massachusetts	80,399	546	544	2,580	2,556
New Jersey	102,021	548	882	1,833	886
Connecticut	68,596	359	0	1,860	1,827
Ohio	32,262	345	360	1,533	n/a
California	41,994	344	0	3,093	n/a
Illinois	45,911	—	—	—	607

**NOTE:** Lower bound estimates are double the lowest number of migrants registered during the prior three years. Upper bound estimates are three times the highest number of migrants registered during the prior three years. Since the ACS estimates are based on random sampling of the population, the smaller the numbers reported in this table the larger the margin of error for the estimates.

**SOURCES:** Center for Puerto Rican Studies, “Puerto Rican Post-Maria Relocation by States,” <https://centrop.r.hunter.cuny.edu/sites/default/files/PDF/Schoolenroll-v4-27-2018.pdf> (accessed August 28, 2018), and American Community Survey, various years and survey of selected Department of Education.

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The table above illustrates how the increased number of Puerto Ricans leaving the island after the hurricane contrasts with past population movements. The number of Puerto Ricans expected to move to the mainland in 2018 is more than double the total number of people who emigrated to the mainland from 2013–2016. The estimated numbers of school children is remarkable, as Florida schools expect to enroll more than double the number of Puerto Rican students in 2018 than they did in the three years prior to 2016. Similarly, Massachusetts schools anticipate four times the number of Puerto Rican students who enrolled from 2013–2016.

### Effects of Population Displacement

Puerto Rico’s population is shrinking, particularly the youth population. Enrollment in Puerto Rico’s schools has dropped by nearly one-third since 2010.<sup>13</sup> Moreover, the number of teachers in Puerto Rico has been cut in half in little over a decade, dropping from over 40,000 in 2006 to 20,915 in 2017,<sup>14</sup> a figure which continues to decline in the wake of the hurricane. For example, Aileen Villanueva, a Spanish teacher with 12 years of experience, always dreamed of moving to the mainland, but was forced to leave Puerto Rico unexpectedly due to Hurricane Maria. Upon her arrival in Florida, she was hired the next

13. Frances Robles, “Puerto Rico’s Debt Crisis Claims Another Casualty: Its Schools,” *The New York Times*, May 10, 2017, <https://www.nytimes.com/2017/05/10/us/puerto-rico-debt-schools-close.html> (accessed August 3, 2018).

14. Martin Echenique, “Exodus: The Post-Hurricane Puerto Rican Diaspora, Mapped,” City Lab, March 13, 2018, <https://www.citylab.com/equity/2018/03/exodus-the-post-hurricane-puerto-rican-diaspora-mapped/555401/> (accessed July 23, 2018).

day by a local Florida school district that held district hiring drives at the Orlando airport as Puerto Rican teachers, fleeing hurricane devastation, landed nearby.<sup>15</sup> As of January 2018, approximately 10 percent of Puerto Rican teachers had not returned to their jobs.<sup>16</sup> The teacher loss underscores Secretary Keleher's, point that the Puerto Rican education system needs to refocus its scope in light of lost resources, both fiscal and human.

School closures illustrate the overarching financial woes that have been plaguing the education system for years. Keleher noted that 500 schools are operating at only 25 percent capacity due to financial struggles and the decrease in student enrollment.<sup>17</sup> Restructuring is fiscally prudent: Maintaining schools that are only partially operational will ultimately further increase the territory's debt—which has already reached \$123 billion.<sup>18</sup> Puerto Rico has more debt than the top *five* municipal bankruptcies combined, including Detroit, due in part to unfunded pension liabilities.<sup>19</sup> Such debt is untenable, particularly when large swaths of the working-age population leave the island.

Territorial debt is driven in part by the \$49 billion in outstanding pension obligations, which include some \$13 billion for retired teachers and school personnel.<sup>20</sup> According to Rosselló's projections in his 10-year fiscal plan, "In Puerto Rico, every time a teacher is paid, about a tenth of that money goes into a pension fund that is burning through cash so fast there will be none left by 2018."<sup>21</sup>

The cost of teacher pensions in Puerto Rico is just one example of fiscal mismanagement that plagues

the territory. In light of the past mismanagement of funds, the ever-growing debt, and the recent devastation, education reform has become imperative. Puerto Rico does not have the revenue to sustain the present school system structure, nor the pensions of all teachers. In light of its financial struggles, Puerto Rico needs to implement policy measures that are fiscally responsible to lessen the debt burden while also empowering families and improving educational opportunity for all children on the island, a process the island has begun in part.

### School Closures

In light of its struggling education system, Governor Ricardo Rosselló and Secretary of Education Julia Keleher have proposed considerable and long-overdue reforms to Puerto Rico's education system. Their plans include the introduction of new policy measures to make Puerto Rican schools more accountable to parents by providing greater education choice to the island's low-income residents. The proposed education reforms are not simply due to a failing education system but are modifications that account for the nuances of migration trends and economic stagnation. These changes are imperative as the tragic effects of Hurricane Maria have only expedited a regional exodus after the storm devastated many homes and schools.

Puerto Rico's housing secretary estimates that 300,000 homes have suffered significant damage.<sup>22</sup> Approximately one-third of schools were damaged by the hurricane, and the Puerto Rican Secretary of Education plans to close approximately one-quarter

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15. Mark Keierleber, "Puerto Rico Teachers Fleeing Hurricane Maria Arrived at Orlando's Airport With Nothing. They Left With Jobs," *The74Million*, October 10, 2017, <https://www.the74million.org/article/puerto-rico-teachers-fleeing-hurricane-maria-arrived-at-orlandos-airport-with-nothing-they-left-with-jobs/> (accessed August 13, 2018).
  16. Mark Keierleber, "As Puerto Rico Rebuilds Post-Maria, a Quarter of Its Schools May Close—For Good," *The74Million*, February 4, 2018, <https://www.the74million.org/as-puerto-rico-rebuilds-post-maria-a-quarter-of-its-schools-may-close-for-good/> (accessed July 23, 2018).
  17. *Ibid.*
  18. Mary Williams Walsh, "How Puerto Rico Is Grappling With a Debt Crisis," *The New York Times*, May 16, 2017, <https://www.nytimes.com/interactive/2017/business/dealbook/puerto-rico-debt-bankruptcy.html> (accessed July 23, 2018).
  19. Sunny Oh, "Puerto Rico's Massive Debt Restructuring, in One Chart," *Market Watch*, October 4, 2017, <https://www.marketwatch.com/story/puerto-ricos-massive-debt-restructuring-in-one-chart-2017-10-04> (accessed July 23, 2018).
  20. *Ibid.*
  21. *Ibid.*
  22. Andres Viglucci, "Half of Puerto Rico's Housing Was Built Illegally. Then Came Hurricane Maria," *Miami Herald*, February 14, 2018, <http://www.miamiherald.com/news/nation-world/world/americas/article199948699.html> (accessed July 23, 2018).

of the schools on the island: 266 out of 1,100 schools are slated for closure.<sup>23</sup> The school closures are also a response to the decrease in Puerto Rico's school-age population over the past 20 years. In addition, Puerto Rico's Department of Education found that 22,350 students did not return to school after the hurricane, further reducing the number of students filling public schools in the territory.<sup>24</sup>

Permanent school closures are not new in Puerto Rico. Secretary Keleher oversaw the closure of nearly 170 schools at the end of the 2017 academic year.<sup>25</sup> The closures are indicative of the protracted (although recently expedited) population loss and the economic woes that have plagued the territory since the 1990s. The economic crisis of the 1990s more than doubled the number of Puerto Ricans leaving for the mainland.<sup>26</sup>

## The Reform Plan

The problems plaguing Puerto Rico's education system, particularly in the wake of Hurricane Maria, have catalyzed the need for reform. The territorial government passed—and the Governor signed (along with the support of the Education Secretary)—a 2018 package of reforms that focuses heavily on empowering Puerto Rican families with school choice.

**Puerto Rican Alliance Schools.** The Puerto Rico Educational Reform Act, which was authorized in February 2018, enabled operators to immediately open "Alianza" or Alliance schools on the island. Alliance schools are similar to charter schools and consist of an "elementary or secondary public school authorized by the Secretary" of Puerto Rico but are operated and administered by a Certified Educational Institution (CEI).<sup>27</sup> Any Puerto Rican student can attend an Alliance school. However, if the demand for enrollment is too high, the school can implement a lottery system to determine enrollment. At the same time, in the case of oversubscription, schools will give preference to pre-

vious students, their siblings, and students from the school's region. All remaining enrollment opportunities will be open to other students through the lottery.

The Secretary of Education will be the sole initial charter authorizer. As the island moves to make charter schools available to families, policymakers and local stakeholders should use experiences from the U.S. to help guide and strengthen implementation. Three facets of a strong charter school option will be particularly important to pursue in the future: having multiple authorizers, keeping regulations at a minimum, and growing the number of seats available to interested students.

**Multiple Authorizers.** Puerto Rico can ensure a robust charter sector by taking advantage of the Puerto Rican Secretary of Education's authorizing power. Under the new law, the Secretary or her appointee can authorize CEIs, which in turn certify and administer individual Alliance schools. Each Alliance school has autonomy over finances, personnel, scheduling, curricula, and instruction. However, the Secretary should use her authority to designate other authorizers, such as townships, public or private universities, nonprofits, and other non-government organizations. Diversifying the number of authorizers creates the opportunity for a greater pool of diverse schools.

Jeanne Allen, describing the imperative role that authorizers play in diversifying schools, wrote:

Authorizers should be change agents, market makers, and catalysts for excellence, introducing new innovations and programs that challenge our conventional understanding of education and expose the public to new and richer ideas about what makes a good school. Great authorizers aren't compliance officers; they are influencers, providing leadership and a vision for what is possible, not what is known and comfortable.<sup>28</sup>

23. Michael Shaw, "What Puerto Rico's New Education Reform Bill Says About School Choice," EdChoice, May 16, 2018, <https://www.edchoice.org/blog/what-puerto-ricos-new-education-reform-bill-says-about-school-choice/> (accessed August 5, 2018).

24. Merrit Kennedy, "School Closures Loom in Puerto Rico as Enrollment Shrinks After Maria," NPR, January 4, 2018, <https://www.npr.org/sections/ed/2018/01/04/574344568/school-closures-loom-in-puerto-rico-as-enrollment-shrinks-after-maria> (accessed July 23, 2018).

25. Ibid.

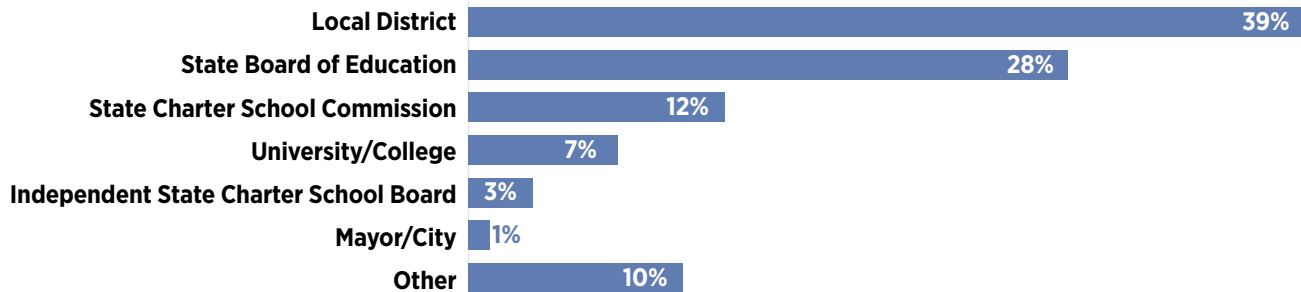
26. Jennifer Hinojosa and Edwin Meléndez, "Puerto Rican Post-Maria Relocation by States," Center for Puerto Rican Studies *Research Brief* No. 2018-03, <https://centropr.hunter.cuny.edu/sites/default/files/PDF/Schoolenroll-v2-3-3-2018.pdf> (accessed August 29, 2018).

27. Puerto Rico Educational Reform Act, Article 1.03, 17, [http://www.oslpr.org/legislatura/tl2017/tl\\_busca\\_avanzada.asp?rcs=P%20C1441](http://www.oslpr.org/legislatura/tl2017/tl_busca_avanzada.asp?rcs=P%20C1441) (accessed September 5, 2018).

28. Jeanne Allen, "The Foundation for Charter Authorizers: Opportunity, Not Bureaucracy," Center for Education Reform, May 30, 2016, <https://www.edreform.com/2016/05/the-foundation-for-charter-authorizers-opportunity-not-bureaucracy/> (accessed July 24, 2018).

CHART 2

## Charter Authorizers



**SOURCE:** Center for Education Reform, "Survey of America's Charter Schools 2014," <https://www.edreform.com/wp-content/uploads/2014/02/2014CharterSchoolSurveyFINAL.pdf> (accessed August 7, 2018).

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If the authority to authorize CEIs rests in a single person or entity, schools could end up looking the same or the number of charters could otherwise be limited. Diversifying the authorizers will diversify the body of schools and provide more choices to families. In fact, the Center for Education Reform found that states with multiple charter authorizers have *three-and-one-half times* more charter schools than states that only allow the local school boards to be authorizers. This is further illustrated by the fact that 78 percent of charter schools are in states that permit authorizers other than local school boards.<sup>29</sup>

The local school board alone is an insufficient authorizer because local school boards are often hostile to charter school introduction. Charter schools are perceived as threats to the local school district; consequently, local school boards reject charter applications due to politics instead of inadequate merit.<sup>30</sup> Multiple authorizers prevent local school boards from monopolizing education and create an environment in which the best educational institutions are determined and supported by parents.

Multiple Alliance authorizers would catalyze Alliance school diversity. Charter schools have played an important role by introducing new and

innovative schools to a variety of communities in the U.S. Indeed, research on charter schools shows that certain features, such as flexibility, school leader autonomy, and having multiple authorizers, maximizes charter success. Lindsey Burke and Rachel Sheffield, describing the benefits of charter schools, wrote:

Charter schools, which are publicly funded, are free from many of the rules and bureaucracy governing traditional public schools. Charter schools are held accountable to certain performance standards set by their governing authority. Charter schools generally operate with greater freedom from government regulations than traditional public schools. Charter schools frequently offer innovative curriculum and pedagogy and provide parents an alternative to their assigned public school.<sup>31</sup>

The alternative approaches available to charter schools allow them to offer education opportunities that distinguish them from traditional public schools. Allowing for multiple charter authorizers that can operate separately from their local school boards ensures a diverse array of charter schools

29. "The Importance of Multiple Authorizers in Charter School Laws," The Center for Education Reform Policy Update, December 2011, <https://www.edreform.com/wp-content/uploads/2012/05/CERPrimerMultipleAuthorizersDec2011.pdf> (accessed July 24, 2018).

30. Ibid.

31. Lindsey Burke and Rachel Sheffield, "School Choice in America 2011: Educational Opportunity Reaches New Heights," Heritage Foundation *Backgrounder* No. 2597, August 4, 2012, <https://www.heritage.org/education/report/school-choice-america-2011-educational-opportunity-reaches-new-heights>.

are able to open and operate. The Center for Education Reform noted that “[o]ver 60 [percent] of charter schools are authorized by an entity other than a local school district.”<sup>32</sup> Non-local school district authorizers offer diverse missions and include institutions such as universities, independent charter boards, and local cities.

Hillsdale College’s Barney Charter School Initiative is a good example of how diverse authorizers create diverse schools. Hillsdale College, a unique, four-year liberal arts college, authorizes Barney Charter Schools, which are dedicated to a rigorous liberal arts, civic, and moral education that is the crux of the college’s mission. Barney Charter Schools offer a distinctive and thorough curriculum too often absent in traditional public schools.<sup>33</sup>

**Bottom-Up Accountability.** Puerto Rican Alliance schools would also do well to emulate Arizona’s bottom-up accountability measures. Heavy, top-down regulations can stifle schools that struggle in their initial years of operation but later stabilize. Instead, schools should rely on parents to establish the benchmark of school success. Parents invest the most in their children and are on the front line of their children’s education.

Arizona charter schools are an excellent example of how heavy regulation is unnecessary for good charter school accountability. Arizona charter schools face light regulation, evidenced in part by the fact that their charter renewal occurs only after 15 years.<sup>34</sup> The long intervals between charter school renewals allow schools to stabilize their programs. For instance, schools that initially struggled in their academic performance, “like Academies of Math and Science, Mexicayotl Academy, and Espiritu Schools, are now among the top performing schools in not just the state, but in the country.”<sup>35</sup> Shorter charter renewal periods would have meant that schools that struggled in their first couple years would have

been closed before they had time to stabilize. However, very few weak Arizona charter schools can last 15 years.

In reality, charter schools face more rigorous and immediate accountability from parents than from government regulations. Sub-par charter schools close, on average, after four years (not making it to the 15-year mark, at which point the state of Arizona would review and potentially close them) because unsatisfied parents withdraw their children from the program. Consequently, most mediocre charter schools “voluntarily surrender” because they do not have community trust or support.<sup>36</sup>

**Charter Enrollment Caps.** Puerto Rico will initially cap the number of Alliance schools so that no more than 10 percent of Puerto Rican schools are Alliance schools. This arbitrary cap needlessly protects district schools that underperform or fail to satisfy families’ needs. Unfortunately, these arbitrary Alliance school caps limit educational opportunities for children. Under the cap, once the maximum number of Alliance schools is reached, children who could otherwise attend if new schools were allowed to open are forced to remain in schools that fail to serve their needs.

**Alliance School Funding.** Puerto Rico noted important school choice policies on the mainland. The territory is holding its Alliance schools accountable by funding them through a weighted student formula (WSF), which is a student-driven funding measure instead of a program-driven measure. With WSF, funds are portable, following students as they change schools. For instance, Puerto Rico funds Alliance schools through more stable formula funding instead of through an annual appropriations process. Alliance schools receive funding based on the following formula:

*Base Budget per Student x Estimated School Enrollment + Additional Weights = School Budget.*

32. Ted Rebarber and Alison Consoletti Zgainer, “Survey of America’s Charter Schools: 2014,” Center for Education Reform, <https://www.edreform.com/2014/01/survey-of-americas-charter-schools/> (accessed July 23, 2018).

33. “The Barney Charter School Initiative,” Hillsdale College, <https://www.hillsdale.edu/educational-outreach/barney-charter-school-initiative/> (accessed July 23, 2018).

34. Matthew Ladner, “Arizona Parents Put Charter Schools Out of Business Early and Often,” August 12, 2016, <https://jaypgreene.com/2016/08/12/arizona-parents-put-charter-schools-out-of-business-early-and-often/> (accessed July 23, 2018).

35. Lisa Graham Keegan, “When Regulating Charter Schools, Proceed With Caution,” Thomas B. Fordham Institute, June 26, 2017, <https://edexcellence.net/articles/when-regulating-charter-schools-proceed-with-caution#.WVEdwNUyYVI.twitter> (accessed July 23, 2018).

36. Matthew Ladner, “LGK on Arizona’s ‘Wild West’ Charter Schooling,” June 28, 2017, <https://jaypgreene.com/2017/06/28/lgk-on-arizonas-wild-west-charter-schooling/> (accessed July 23, 2018).



With WSF funding, schools base their budget on *actual* student enrollment instead of the staffing model. Katie Furtick and Lisa Snell, explaining how per pupil funding creates greater equity than the staffing model, write:

If under a district staffing model a school receives one administrator for every 300 students, a school with 300 students and a school with 599 students would draw down equivalent resources for that staffing position. However, if schools receive budgets based on dollars related to per-pupil funding, it gives school principals the money that each student generates and allows principals to more efficiently allocate revenue and staff.<sup>37</sup>

WSF funding ensures that resources are most efficiently allocated, especially as student population changes. When funding follows individual students, schools receive funding that is tailored to their student bodies. Notably, WSF funding empowers parents since the dollars follow the children. Puerto Rican parents, unhappy with their school, can enroll their children in a school that better fits their needs. Furtick and Snell remark, “School choice is an accountability mechanism that reveals which schools are serving students effectively, by giving dissatisfied families the right to exit to a higher-performing school.”<sup>38</sup>

### **Puerto Rican Scholarship Program**

In addition to its Alliance schools, the newly passed reform package lays the groundwork for Puerto Rico to implement a pilot scholarship program in the 2019–2020 school year, the Program for Freedom of the Selection of Schools. Scholarships provide

eligible families with a voucher to offset the cost of tuition at any private school of choice and will also be coupled with the option for funds to follow students to public schools of choice.

The scholarship program will enable families to apply for a voucher after two years of their child attending public school. Eligible students will then be able to use their scholarships to pay for education at *any* participating elementary or secondary school and participating universities.<sup>39</sup> Participating schools will be subject to fiscal audits by the Puerto Rican Secretary of Education. Although the scholarship program is limited to only 3 percent of the population, upon renewal, the scholarship can be expanded to include 5 percent of the population. Approximately 9,600 students will be eligible to participate in the free school selection option during the 2019–2020 school year.

### **Lessons from Louisiana**

The tragic post-Maria situation in Puerto Rico is reminiscent of New Orleans after Hurricane Katrina in 2005, which saw district school counts drop to 44,000 students—down from 64,000 prior to Katrina.<sup>40</sup> Louisiana converted New Orleans to a special Recovery School District system, enabling the state to largely convert public schools to charter schools—in conjunction with a district voucher program for children to attend a private school of choice.<sup>41</sup> Keleher hopes to use the New Orleans education reforms as a reference point.<sup>42</sup> This is a laudable goal, but officials in Puerto Rico should avoid making some of the mistakes made in Louisiana, which may have limited the impact of its school choice program.

Although Louisiana developed excellent opportunities for school choice with the introduction of its Louisiana

37. Katie Furtick and Lisa Shell, “Weighted Student Formula Yearbook: Overview,” Reason Foundation *Report* No. 426, December 2013, [https://reason.org/wp-content/uploads/files/weighted\\_student\\_formula\\_overview.pdf](https://reason.org/wp-content/uploads/files/weighted_student_formula_overview.pdf) (accessed July 24, 2018).

38. *Ibid.*

39. Andrew Wimer, “Puerto Rico Families Will Fight for Scholarship Program at Commonwealth’s Supreme Court,” Institute for Justice, July 16, 2018, <http://ij.org/press-release/puerto-rico-families-will-fight-for-scholarship-program-at-commonwealths-supreme-court/> (accessed July 24, 2018).

40. Beth Hawkins, “With Reunification, New Orleans Becomes the First District in the Country to Oversee a Citywide System of Public Charter Schools. Will it Work?” *The74Million*, July 8, 2018, <https://www.the74million.org/article/with-reunification-new-orleans-becomes-the-first-district-in-the-country-to-oversee-a-citywide-system-of-public-charter-schools-will-it-work/> (accessed July 23, 2018).

41. David Osborne, “How New Orleans Made Charter Schools Work,” *Washington Monthly*, June/July/August 2015, <https://washingtonmonthly.com/magazine/junejulyaug-2015/how-new-orleans-made-charter-schools-work/> (accessed July 23, 2018).

42. Julia Keleher, “Sharing Info on Katrina as a Point of Reference: We Should Not Underestimate the Damage or the Opportunity to Create New, Better Schools,” *Tweet*, October 26, 2017, 6:33 p.m., <https://tinyurl.com/y9pz9wb3> (accessed September 19, 2018).

TABLE 2

## The Academic Effects of Private School Choice

Benefit	Study	City	Finding: Private School Choice
Overall (positive)	Cowen (2008)	Charlotte	+ 8 pts in reading, + 7 pts in math
	Greene (2001)	Charlotte	+ 6 pts on combined reading and math test
	Greene et al. (1999)	Milwaukee	+ 6 pts in reading, + 11 pts in math
	Rouse (1998)	Milwaukee	+ 8 pts in math, no difference in reading
	Howell et al. (2002)	D.C.	+ 3 pts combined reading and math
	Wolf et al. (2013)	D.C.	+ 4.8 pts in reading
	Anderson & Wolf (2017)	D.C.	+ 8.7 pts in reading
Some Students (positive)	Barnard et al. (2003)	New York	+ 5 pts in math for students leaving low-performing schools
	Jin et al. (2010)	New York	+ 4 pts in math for students leaving low-performing schools
	Howell et al. (2002)	New York	+ 4 pts for African-American students on combined reading/math test
No Effect	Howell et al. (2002)	Dayton	+ 6.5 pts for African-American students on combined reading/math test
	Mills & Wolf (2017)	Louisiana	No difference in math or reading
	Krueger & Zhu (2004)	New York	No difference in math or reading
	Bitler et al. (2013)	New York	No difference in math or reading by quartile
Overall (negative)	Bettinger & Slonim (2006)	Toledo	No difference in math or reading
	Abdulkadiroglu et al. (2016)	Louisiana	-0.4 standard deviation 1-year effect on math
	Dynarski et al. (2018)	D.C.	-10 pts 2-year effect on math

**SOURCES:** Patrick Wolf, “Private School Choice in the U.S.: Experimental Effects on Test Scores,” University of Arkansas, March 1, 2017, <http://www.uaedreform.org/private-school-choice-meta-analysis-of-experimental-test-score-effects/> (accessed August 28, 2018). Updated using Mark Dynarski et al., “Evaluation of the DC Opportunity Scholarship Program: Impacts Two Years After Students Applied,” National Center for Education Evaluation and Regional Assistance, 2018 <https://ies.ed.gov/ncee/pubs/20184010/pdf/20184010.pdf> (accessed August 31, 2018).

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Scholarship Program (LSP)—which was eventually expanded from New Orleans to a statewide voucher option—state over-regulation impaired the scholarship program by forcing participating private schools to effectively conform to public school curricula by requiring the use of the same state tests that are required of district schools.<sup>43</sup>

These so-called accountability provisions layered onto the LSP had the opposite effect of what the regulations’ architects intended: They *discouraged* higher

performing, financially stable private schools from participating in the LSP out of genuine concerns about a loss of school autonomy. Instead of providing low-income students with access to unique learning experiences, the LSP regulated quality out of the market of options available to families.

As a result, private school leaders were concerned that participating in the LSP would mean sacrificing school autonomy in critical areas such as testing.<sup>44</sup>

43. “School Choice: Louisiana Scholarship Program,” EdChoice, <https://www.edchoice.org/school-choice/programs/louisiana-scholarship-program/> (accessed July 23, 2018).

44. Brian Kisida, Patrick J. Wolf, and Evan Rhinesmith, “Views from Private Schools: Attitudes about School Choice Programs in Three States,” American Enterprise Institute, January 2015, <http://www.aei.org/wp-content/uploads/2015/01/Views-from-Private-Schools-7.pdf> (accessed August 2, 2018).

Accordingly, private schools with struggling student enrollment primarily participated in the LSP, while private schools that were on solid financial footing prior to the introduction of the LSP opted not to participate.<sup>45</sup> Two-thirds of private schools chose not to participate in the LSP, likely limiting diversity of school supply. As the Cato Institute's Corey DeAngelis and The Heritage Foundation's Lindsey Burke describe in a forthcoming analysis of the Louisiana Scholarship Program:

The LSP appears to create homogenization within the private schooling sector for most of the measured outcomes. As a result of switching into the LSP environment, private schools in Louisiana have a 3.6 percentage point—or 30 percent of a standard deviation—higher likelihood of describing themselves as regular, a 2.2 percentage point—or about a quarter of a standard deviation—lower likelihood of describing themselves as specialized, and a 1.5 percentage point—or around a fifth of a standard deviation—lower likelihood of describing themselves as non-traditional or alternative.<sup>46</sup>

Moreover, lack of private school participation could explain one of only two randomized controlled trial (RCT) evaluations to find a negative impact from school voucher use. The impact of school choice programs is, overall, positive and significant. Yet the LSP is one of just *two* studies (out of 17 RCTs that have ever examined the impact of school choice on academic achievement) to find negative effects. It is possible that the heavy regulatory environment in Louisiana dissuaded higher quality private schools from participating, which could at least partially explain the negative results on academic achievement.

School choice creates the best opportunity for students to achieve their life and career goals when

schools maintain the autonomy necessary to educate students according to their stated mission and purpose. School choice's strength comes from the different choices it offers, enabling parents to find a school that best fits their children's needs. In order for choice to flourish in Puerto Rico in the years to come, stakeholders should ensure regulations are kept to a minimum to maximize private school participation, catalyze new schools to open, and provide children with a diverse array of education options.

### School Choice in Nearby Florida

Puerto Rico should follow the lead of states like Arizona and Florida, which have allowed diverse school choice options to thrive. Indeed, not only does Florida now support one of the largest Puerto Rican populations on the mainland (rivaled only by New York), the Sunshine State is Puerto Rico's major economic competitor.<sup>47</sup> Florida blazed education reform and school choice nearly two decades ago as the state introduced new and innovative options such as the Florida Virtual Academy, charter schools, private school scholarships, and education savings accounts, which allow parents to find the education that best fits their children's needs.<sup>48</sup>

The introduction of Florida's education choice options, along with a focus on student reading, an end to "social promotion" (which did not require students to demonstrate learning before progressing on to the next grade), and bonuses for teachers who increase the number of students taking and passing advanced placement courses, has been accompanied by a notable improvement in academic achievement. Twenty years ago, Florida fourth-grade readers scored seven points below the national average; by 2017, Florida fourth-grade readers had increased their NAEP scores by two grade levels and now score *above* the national average.<sup>49</sup>

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45. Atila Abdulkadiroglu, Parag Pathak, and Christopher Walters, "School Vouchers and Student Achievement: First-Year Evidence from the Louisiana Scholarship Program," School Effectiveness and Inequality Initiative *Working Paper* No. 2015.06, December 2015, <https://seii.mit.edu/wp-content/uploads/2016/01/SEII-Discussion-Paper-2015.06-Abdulkadiroglu-Pathak-Walters.pdf> (accessed August 29, 2018).
  46. Corey DeAngelis and Lindsey Burke, "Does Regulation Reduce Specialization? Examining the Impact of Regulations on Private Schools of Choice in Four Locations," Spring 2019 (forthcoming).
  47. Victor Martinez et al., "Puerto Rico Post-Maria," p. 7.
  48. Jeb Bush, "Jeb Bush: Florida's Rising NAEP Scores Show Education Reforms Are Working for All Students in State," *The74Million*, April 18, 2018, <https://www.the74million.org/article/jeb-bush-floridas-rising-naep-scores-show-education-reforms-are-working-for-all-students-in-the-state/> (accessed July 23, 2018).
  49. U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, National Assessment of Educational Progress, various years, Reading Assessments, [https://www.nationsreportcard.gov/reading\\_2017/#?grade=4](https://www.nationsreportcard.gov/reading_2017/#?grade=4) (accessed August 29, 2018).
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Moreover, unlike their Southern neighbors in Louisiana, Florida education-choice options have far fewer regulations and have achieved better results both inside and outside the classroom. For instance, Florida's McKay Scholarships for Students with Disabilities created an environment in which participants were more satisfied, encountered better service, and felt safer than at their previous schools. Jay P. Greene and Greg Forster found that "92.7 percent of current McKay participants are satisfied or very satisfied with their McKay schools compared to 32.7 percent of public school parents."<sup>50</sup>

McKay students are also safer: Only 5.3 percent were reported being bullied, whereas at their previous schools, 46.8 percent of McKay students reported being bullied. Assault rates also dropped, "in public schools...24.7 [percent] were physically assaulted, while in McKay schools...6.0 [percent] were assaulted." Healthy school environments and school responsiveness to parental concerns are just as important as academics to families. A personalized education in which students and their parents see real investment on the part of teachers and administrators can make all the difference in a child's education.

Puerto Rico will do well by taking a page from Florida, Arizona, and states across the country that have empowered families with robust education choice through the introduction of new and innovative education measures such as private school scholarships, virtual schools, and charter schools.

### School Choice Setbacks and Victory

Puerto Rico's school choice movement encountered significant opposition from the Puerto Rican teachers' union, which claimed that the school choice options were unconstitutional. The teachers' union, the Asociación de Maestros de Puerto Rico, argued that the Puerto Rican constitution contains a Blaine-like clause that would have prevented the government from using tax dollars to facilitate any education that is not under direct government control.

**Blaine Amendments.** Blaine Amendments, named after Maine politician James G. Blaine, arose in the late 1800s as part of an effort to prevent public funding from supporting Catholic schools, even though many public schools, although non-denominational, were wholly Protestant in nature and commonly conducted "religious activities, such as school prayer, Bible reading and lessons, and hymn singing."<sup>51</sup> But when Catholic schools vied for similar recognition and funding, they encountered fierce opposition.

The Institute for Justice notes that at the time, anti-Catholic sentiments prevailed such that Congress required "newly formed states [to] include Blaine Amendment language in their state constitutions as a condition for admission to the union."<sup>52</sup> The influences of Blaine Amendments on Puerto Rican public education can still be seen today in the territory's requirement that education be "wholly non-sectarian." Although not technically a Blaine amendment, the territory's constitution states that "[n]o public property or public funds shall be used for the support of schools or educational institutions other than those of the state."<sup>53</sup> Thankfully, in August 2018, the Puerto Rican Supreme Court sided with the state legislature, governor, education secretary, and families by allowing the education choice options to move forward.

**School Choice Legal Battle.** In July 2018, school choice in Puerto Rico encountered an initial setback when a Puerto Rican Superior Court ruled in favor of the teachers' union, stating that the Alliance schools and scholarship programs were partially unconstitutional. According to the ruling, only Alliance schools chartered through the University of Puerto Rico and Puerto Rican municipalities would have been constitutional.<sup>54</sup> The ruling drastically limited the ability of Alliance schools to diversify since nonprofit organizations could not have participated. Limiting the charter authorizers to municipalities and to the territorial university would have crippled Alliance schools because municipalities would have likely protected public schools from Alliance school competition.

50. Jay P. Greene and Greg Forster, "Vouchers for Special Education Students: An Evaluation of Florida's McKay Scholarship Program," Manhattan Institute *Civic Report* No. 38, June 2003, [https://www.manhattan-institute.org/pdf/cr\\_38.pdf](https://www.manhattan-institute.org/pdf/cr_38.pdf) (accessed August 2, 2018).

51. Richard Komer, "School Choice: Answers to Frequently Asked Questions About State Constitutions' Religious Clauses," Institute for Justice, September 2006, [https://www.ij.org/images/pdf\\_folder/school\\_choice/FAQ/legal\\_FAQ\\_state.pdf](https://www.ij.org/images/pdf_folder/school_choice/FAQ/legal_FAQ_state.pdf) (accessed August 2, 2018).

52. *Ibid.*

53. Constitution of the Commonwealth of Puerto Rico, <http://welcome.topuertorico.org/constitu.shtml> (accessed July 24, 2018).

54. Andrew Ujifusa, "Setback for Vouchers, Charter Schools in Puerto Rican Court's Ruling," *Education Week*, July 9, 2018, [http://blogs.edweek.org/edweek/campaign-k-12/2018/07/vouchers\\_charter\\_schools\\_puerto\\_rico\\_setback\\_judge\\_ruling.html](http://blogs.edweek.org/edweek/campaign-k-12/2018/07/vouchers_charter_schools_puerto_rico_setback_judge_ruling.html) (accessed July 24, 2018).

Similarly, the same court held that the scholarship program was unconstitutional since parents could apply vouchers to private schools. The court held this was too close to government directly funding private institutions even though parents—not the government—chose the school. Andrew Ujifusa of *Education Weekly* noted, “The judge said that the new law’s system was too similar to a proposal from the 1990s that ultimately did not survive a legal challenge.”<sup>55</sup>

However, there was little judicial precedent for voucher programs in the 1990s. Since then, courts across the United States have repeatedly ruled in favor of school choice programs. The courts have recognized that vouchers fund *children*, not schools.<sup>56</sup> And in August 2018, the Superior Court’s narrow reading of the Puerto Rico Constitution was overturned by the Puerto Rican Supreme Court in *Asociación de Maestros v. Departamento de Educación*.

**Puerto Rico Supreme Court Ruling.** In a win for school choice, the Puerto Rican Supreme Court overturned the lower court’s decision and also overturned the 1994 *Asociación de Puerto Rico v. Torres* decision.<sup>57</sup> In keeping with the recent *Trinity Lutheran Church of Columbia, Inc. v. Comer*, the court recognized that vouchers are payments to parents for services and that government can offer neutral aid.<sup>58</sup>

The territory’s highest court recognized that funding goes to parents and not directly to private schools. Any funding that private schools receive from vouchers is incidental because the voucher’s purpose is to fund students themselves and, in the case of Puerto Rico, give preference to those children who suffer from bullying, sexual harassment, or who have special needs, in order to find schools where they can excel.<sup>59</sup> Moreover, numerous states now have voucher programs in place across the U.S.<sup>60</sup> Richard D. Komer, explaining voucher policy, writes:

Voucher/scholarship programs do not distribute institutional aid. They provide aid to families, and if some of those families use the aid to buy an education for their children from religious schools[,] the benefit those schools derive from the program is incidental, an incident of the family having picked that school. This is because the aid subsidizes *tuition*, which as any parent of a child in either private school or a public university knows is a family responsibility and not a responsibility of the school selected.<sup>61</sup>

Puerto Rico’s voucher program can now move forward and empower parents to choose the best school for their children. The territory merely provides parents with a neutral voucher, which parents determine how to best use. The scholarship program is now free to place educational choice in the hands of parents who know their children’s learning styles and needs better than anyone. In a similar vein, the court also found that Alliance school CEI’s can be expanded beyond municipalities and the University of Puerto Rico—allowing for greater diversity among Alliance schools. Puerto Rico stands to gain a great deal from school choice, especially as Puerto Rican families adjust to life after Hurricane Maria.

## Recommendations for Additional Improvements

The adoption of education choice, particularly a private-scholarship option, is welcome news for families and follows a trend toward education choice sweeping the United States on the whole. However, stakeholders can ensure that better education opportunities for Puerto Rican children are available by keeping regulations on school choice programs at a minimum, allowing for multiple charter authorizers, and by lifting caps on the number of students who can take advantage of both options.

55. Ujifusa, “Setback for Vouchers, Charter Schools in Puerto Rican Court’s Ruling.”

56. *Zelman v. Simmons-Harris*, 536 U.S. 639 (2002), and *Arizona Christian School Tuition Organization v. Winn*, 563 U.S. 125 (2011).

57. *Asociación de Maestros v. Arsenio Torres*, 137 D.P.R. 528 (1994).

58. *Trinity Lutheran Church of Columbia, Inc. v. Comer*, 582 U.S. (2017).

59. Wimer, “Puerto Rico Families Will Fight for Scholarship Program at Commonwealth’s Supreme Court,” p. 24.

60. “School Choice in America Dashboard,” EdChoice, June 26, 2018, <https://www.edchoice.org/school-choice/school-choice-in-america/#map-overlay> (accessed September 5, 2018).

61. U.S. Commission on Civil Rights, *School Choice: The Blaine Amendments and Anti-Catholicism*, p. 45, <https://www.usccr.gov/pubs/docs/BlaineReport.pdf> (accessed September 19, 2018) (emphasis in original).

To this end, Puerto Rico should:

- **Ensure the new scholarship program is free to flourish by keeping regulations at a minimum and expanding eligibility.** Policymakers can further improve the Puerto Rican education system by universalizing the new voucher program, removing participation caps, and expanding eligibility. Universalizing the voucher program will create school choice opportunities that enable all families to access the education that is best for their children. At the very least, removing participation caps would be a substantial improvement since more than 40 percent of Puerto Ricans live below the federal poverty line: Even with narrow eligibility requirements, many Puerto Rican families can still participate. Nonetheless, expanded eligibility removes future obstacles since it grounds the program and protects it from unnecessary political battles.<sup>62</sup> Moreover, expanded eligibility will enable more schools to participate in the program, maximizing the choices available to families.
- **Build scholarship funding into the public education formula.** Instead of relying on annual funding through the appropriations process, policymakers should establish permanent funding for the scholarship to protect it from legislative turmoil. Permanent funding will encourage greater participation since student and school participants will not fear losing funding after every year. Permanent funding will stabilize the program and encourage greater program participation.
- **Establish multiple authorizers.** Puerto Rico's Secretary of Education should utilize her author-

ity to establish multiple CEIs to ensure that Puerto Rican education remains diverse. The greater the number of CEIs, the greater the opportunity for a diverse array of charter schools—and ultimately educational opportunities—for Puerto Rican children.

- **Remove the artificial Alliance school cap.** Instead of limiting the number of Alliance schools to 10 percent, a better policy is to let the market determine the number of Alliance schools. If there is a greater demand for Alliance schools than the supply available, then more charter schools should have the opportunity to open.

## Conclusion

In light of its economic paralysis, the ravages of Hurricane Maria, and a dwindling population, Puerto Rico needs to empower parents to better direct resources and find options that are a good fit for their children. By taking a more hands-off approach, Puerto Rican families—instead of government officials—can find the education model that works best for their children.

To maximize choice in the territory, Puerto Rico should establish a diverse array of Alliance schools through the recognition of a diverse set of CEIs. Similarly, the scholarship program can reach its maximum potential if policymakers eliminate the artificial cap on student enrollment, expand eligibility, and institute a stable funding mechanism.

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62. Jason Bedrick and Lindsey Burke, "Recalibrating Accountability: Education Savings Accounts as Vehicles of Choice and Innovation," Heritage Foundation and Texas Public Policy Foundation *Special Report* No. 190, December 12, 2016, <http://thf-reports.s3.amazonaws.com/2016/SR-190.pdf>.