

THE HONG KONG COUNCIL OF SOCIAL SERVICE
Specialized Committee on Elderly Service
Resource Group on Financing of Subvented Elderly Services

The Voucher System : some overseas experiences

a) School vouchers in U.S.¹

- In the United States, there are currently 5 large, tax-supported school voucher programs
- Since 1869, **Vermont** has provided tuition to children in 90 rural towns to attend either public or nonreligious private schools. In 1998-99, Vermont covered the cost of tuition for 6,505 students through reimbursements to their parents. About 30 percent of these students attended 83 private schools across the state.
- Since 1873, **Maine** has also provided public funds for private school tuition for rural families who live in areas without easy access to public schools. The tuition amount is capped at the average amount the state pays to cover the cost of educating public high school students, approximately \$6,000 per pupil (Heritage Foundation, 2001). In 1999-2000, 5,614 students from 55 communities received vouchers to attend private schools. Voucher students accounted for 35 percent of all Maine students attending private schools.
- The **Milwaukee Parental Choice Program** is the largest school voucher program in the United States, serving low-income families in religious and nonreligious private schools. The program has grown from 341 students in 7 private schools in 1990-91 to 10,882 students in 106 private schools in 2001-02. To be eligible for the vouchers, families must be at or below 175 percent of the federal poverty level (\$30,913 for a family of four in 2001-02) and reside in the city of Milwaukee. Private schools that participate in the program must agree to accept all eligible students and use a random selection process when applications exceed available space.
- The **Cleveland Scholarship and Tutoring Program** has grown from 1,994 students in 1996-97 to 4,195 students attending 50 religious and nonreligious private schools in 2001-02. The program serves students in grades K-8. Scholarships are awarded by lottery, and preference is given to families whose incomes fall at or below the federal poverty level

¹ Extracts from “The Truth about Vouchers”

(\$17,650 for a family of four in 2001).

- **Florida** operates two different programs: the Florida A+ Opportunity Scholarship Program (enacted by the state legislature in 1999) and the McKay Scholarships for Students with Disabilities Program (added in 2000). The **A+ program** provides tax-supported scholarships to parents whose children attend a public school that has been identified by the state as "failing" for two years in a four-year period, enabling parents to send their children to the private or public schools of their choice. In 2001-02, 47 students used the A+ vouchers to attend 5 private schools, and 23 students used them to attend a new public school. The **McKay scholarship** serves parents who determine that their disabled children are not making adequate progress at the public school to which they are assigned. In 2001-02, 4,276 students received a McKay scholarship; they attended 357 different public and private schools throughout the state.

b) School vouchers in Chile

- Since 1980s, Chile implemented a series of educational reforms. The provision of public education is decentralized from the central government to the municipal government. A per-student subsidy or voucher to finance schools of all grade levels is also introduced. Such subsidy is given to any school, public or private, that abides by minimal safety and attendance record requirements.

c) Child care voucher in U.S.²

- Between 1991 and 1997, federal support to low-income families for child-care more than doubled, going from about \$5.1 billion to about \$10.7 billion (in 1998 dollars).
- Since 1990, a portion of these funds have been subject to a requirement that states give parents the option of receiving a child care voucher -- or "certificate" -- that enables low-income parents to select child-care providers of their choice. Currently nearly half of these funds are subject to the voucher requirement. Giving parents checks or cash is also allowed, and at least 16 states and Puerto Rico do so, usually in the form of a check.

² Extracts from "Vouchers and the Provision of Public services"

d) Rent voucher in U.S.³

- Since early 1980s, eligible families are given low-income housing subsidies in the form of vouchers, which allow recipients to rent in the private market. By 1993, vouchers subsidized as many households as lived in traditional housing projects, although most low-income households did not receive any subsidies.

e) Short-break voucher in England & Wales

- The Carers & Disabled Children Act 2000 allows local authorities in England & Wales to introduce short-break voucher schemes. The scheme aims to give both the carer & the cared for person more control & flexibility.
- These vouchers are used for a service to the disabled person, but they may be issued to the carer, if the cared for person agrees.
- Vouchers can be exchanged for home care and sitting services, or a temporary stay in residential care, but not be used for service provided in an emergency, e.g. when a carer is hospitalized as this should be a core element of support. They can only be used at approved service providers such as home care agencies and respite homes. Agencies approved to take vouchers should meet standards of safety, quality and confidentiality.
- Vouchers can have a value expressed in money or hours, and should be ignored for social security benefits and income tax purposes. However, the local authorities can continue to charge the cared for person the care services they receive.

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