Lessons from other countries about private school aid

Higher public funding for private schools usually means more government regulation.
CREDITS
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SOURCES
A list of major sources appears at the end of this publication. To see a complete list of references used and an appendix containing detailed information about private school policies in 22 nations, please visit the Center’s web site at www.ctredpol.org.
Introduction

Many Americans are weighing the pros and cons of using public funds for vouchers or other plans to subsidize the costs of private schooling. An important but sometimes overlooked issue in the school choice debate is how private schools might change if they accepted government support.

Some lessons can be found in the experiences of other industrialized nations. Many nations in Europe and elsewhere have long provided government aid to private elementary and secondary schools, including religious schools. These countries have already faced such questions as whether to regulate private schools and how to hold them accountable for public funds. To see what the U.S. might learn from them and to stimulate further discussion, the Center on Education Policy reviewed information from research studies, government documents, and other sources about private school funding and regulation in 22 nations. We looked at Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

We found that when private schools accept significant levels of public funding, they usually must comply with a rather high degree of government regulation. Countries that heavily subsidize private schools also regulate and inspect them in areas that many American private schools might find objectionable, such as course content, testing policies, student admissions, tuition levels, teacher hiring and salaries, and composition of governing boards.
A. The Educational Context in Other Countries

**FINDING:** Nations vary considerably in their systems of education. Any comparisons between the United States and other countries must acknowledge certain key differences.

Especially noteworthy are the following differences:

- **Centralization and regulation.** Many European countries have national curriculum standards, national tests, and more centralized systems of education than the U.S. does. (Sometimes they also have a culture of more bureaucracy in other aspects of daily life.) These countries are much smaller than the U.S. and have fewer schools, so it is easier for the national government to oversee both public and private schools than it would be in the U.S. Schools in these countries tend to be fairly uniform in curriculum, instruction, textbooks, and administration.

- **Distinctions between “public” and “private”.** The distinctions between “public” and “private” schools in other countries may seem fuzzy by American standards. (Some countries do not even use these terms; instead they may use such terms as “government” and “non-government” schools.) In the U.S., private schools are always funded and administered by non-government authorities, such as religious groups and independent boards, while public schools are funded and administered by government authorities, such as local school districts. But in Europe, Canada, and elsewhere, religious schools and other independently-administered schools may be funded and monitored by the government. Sometimes they are even considered a part of the state education system.

- **Church and state.** Many countries have an official state church or have closer ties between church and state than in the U.S. An interesting example is Ireland, where government schools are Catholic schools, funded and regulated by the state but overseen by a diocese or another independent body. Several nations give special status to religious schools. Some sanction prayer or religious worship in public schools, as well as private.
Size and role of the private school sector. In nations like Sweden and Luxembourg, the private school sector is small, enrolling about 2% to 5% of elementary and secondary students. (The comparable figure for the U.S. is about 11%.) In other nations, the private school sector is larger than the public sector; in the Netherlands, for example, private schools enroll almost 70% of all primary students. The private sector in other countries may comprise various combinations of religious schools, independent schools, boarding schools, schools that teach in a minority language, schools that serve remote areas, and schools that follow a special philosophy or pedagogy, like Steiner or Montessori schools. Although some countries, like the United Kingdom and Australia, have an influential sector of elite private schools that cater to the upper classes, this is not always the case. In Denmark, for example, attendance at a private school is not usually considered elitist.

Even with these differences in educational contexts, it is possible to identify some broad trends in the funding and regulation of private schools.
B. How Other Countries Fund Private Schools

**FINDING:** Many developed nations provide extensive government funding to religious schools and other private schools. These countries offer a body of evidence about the long-term impact of government subsidies on private schools.

Private schools in many nations receive direct subsidies from the government. This situation contrasts with the U.S., where private K–12 schools receive virtually no direct government support and only limited indirect aid, such as bus transportation, textbook loans, and federally funded services for children with special needs. In most of these other countries, the funding of private schools does not provoke the controversy that it does in the U.S. Often the arrangements between government and private schools were established decades ago to protect the rights of religious denominations or to recognize the traditional role of religious schools in the overall education system.

**TYPE AND AMOUNT OF SUBSIDIES:** In some countries (Denmark, Sweden),* the government gives private schools a per-pupil subsidy or grant that the schools themselves manage, while in other countries (the Netherlands), the government pays directly for teacher salaries or operating expenses. Usually the amount of the subsidy is linked to the level of per-pupil allocations in public schools. Some countries, like Australia, use a need-based formula that gives poorer private schools higher allocations than affluent ones.

Often these subsidies cover a portion or all of the costs of teacher salaries in private schools, and may also cover operating expenses, materials and equipment, transportation, and even building costs. In some nations

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* Throughout this document, examples are given in parentheses of countries with a particular policy. One should not assume that these are the only such examples; others can be found in the Appendix posted on the Center’s web site at www.ctredpol.org.
(Belgium, France, the Netherlands, Luxembourg, Norway, and Denmark), government subsidies are high—anywhere from 75% to 100% of the operating costs in certain private schools. Several countries (France, Spain, British Columbia-Canada) allow private schools to choose from various levels of government association; the schools that elect the highest level of subsidy must also agree to the highest degree of regulation.

**IMPACT OF PUBLIC FUNDING:** As indicated by many research studies, government subsidies have helped to maintain a financially sound and viable private school sector in many nations. In several countries, high levels of public subsidy have allowed private schools to operate without charging tuition or to keep their fees low—policies that have benefitted families with lower incomes as well as higher incomes. But there is research evidence from some nations that the availability of public funding has exacerbated the flight of middle-class families from the public to the private schools (Australia) or has made it easier for some native-born children to move out of schools with high proportions of immigrant children (Netherlands, Sweden).
C. How Other Countries Regulate Private Schools

**FINDING:** Most countries that heavily subsidize private schools also hold them to extensive government regulation and oversight. As a rule, these regulations have made private schools less distinctive and more like public schools.

In several European nations and Canadian provinces, subsidized private schools must comply with government regulations in a host of areas. Sometimes the most heavily subsidized of these schools must follow virtually the same regulations as public schools. There are exceptions to this correlation in either direction. Italy and Greece give little or no aid to private schools but heavily regulate those that seek to offer valid courses and diplomas. Australia and New Zealand provide significant funding to private schools with only a low to moderate degree of regulation. By and large, however, the degree of regulation in subsidizing nations exceeds that found in the U.S., where states tend to regulate private schools only in the most essential areas, such as health and safety protections, minimum length of school year, and assurances that basic subjects are taught.

The main reason why these other countries regulate private schools is a fundamentally sound one—to ensure accountability for public tax dollars. In addition, some governments are trying to maintain a certain level of quality for all schools, protect the consumer rights of parents, or guarantee the employee rights of teachers. From the perspective of the private schools, there are advantages, in addition to funding, to accepting government oversight; for example, many nations require private schools to be registered and inspected before they can grant valid diplomas.

Figure 1 (see pages 10-11) shows the relationship between private school funding and regulation in a subset of nations. For purposes of this figure, the definitions of a high, moderate, and low level of subsidy or regulation are based on a U.S. perspective—in other words, a level that seems high by U.S. standards, although not necessarily by European standards.
**AREAS REGULATED:** The most common areas of regulation abroad include the following (although not every country regulates every one of these areas):

- **Curriculum.** Often subsidized private schools must follow the same national curriculum as public schools, although they may retain control over their teaching methods (as in Denmark and Belgium). In Germany, Ireland, Portugal, and elsewhere, private schools must adhere to government course syllabi. Spain and Italy, among others, define the curriculum goals and content for all private schools, subsidized or not. Luxembourg requires the most heavily subsidized private schools to use the same teaching methods as public schools. The provincial government in Alberta, Canada, sets standards for instructional materials, while the government of Greece regulates curriculum and instructional materials for private schools even though no funding is available.

- **Testing and student achievement.** Private school students in most European countries must pass national exams before they move on to certain grade levels or receive a diploma. These exams shape curriculum and instruction in both public and private schools. In Australia, high-stakes state exams exert a similar influence over private school curriculum. Sometimes the government monitors the administration of exams in private schools (Greece). Some public authorities monitor student achievement in private schools and may take corrective action if it is inadequate (British Columbia-Canada).

- **Student admissions and discipline.** Several countries place conditions on the admissions policies of subsidized religious schools and other private schools. These schools may be prohibited from rejecting students because of family income (Germany, Finland) or discriminating based on race and ethnicity (France) or ideology (Belgium-Flemish Community). Subsidized religious schools in British Columbia-Canada, France, and elsewhere cannot reject students because they have a different religious faith. Finland establishes attendance zones for private schools. Some countries set policies for student discipline in private schools (Greece) or expulsion (Norway).
General Approach
Making cross-country comparisons is a complex endeavor because countries vary considerably in their educational systems, definitions of the public and private school sectors, and policies toward private and religious schools. We have tried to be as consistent and fair as possible, given that we were looking at countries whose systems, sectors, and policies are not consistent. For countries like France that have different levels of subsidy associated with different levels of regulation, we used the highest category of subsidy (which also generally brings the highest degree of regulation) for purposes of this figure. Even if one were to use different assumptions or definitions than ours, the general trend remains the same—the countries with the highest private school subsidies tend to have the highest degree of regulation. The following numbered notes suggest the complexity of the situation in various countries; for further details on these or other countries, please refer to the Appendix to this report posted on the Center’s web site at www.ctredpol.org.

Numbered Notes
1 Austria: Funding level is for church-maintained schools; regulation level is for public-law-status schools (which include some church-maintained schools).
2 Italy: Levels of funding and regulation are for legally-recognized and approved schools, which encompass the majority of private schools.
3 New Zealand: Does not include state-integrated schools, which are considered part of the state system.
4 United Kingdom: Does not include voluntary-aided schools, which are considered part of the “maintained” system.

Countries/Provinces Not Included
Six countries reviewed in the Center’s study were not included in this figure for the following
reasons: the Center did not have sufficient research information to make a determination (Finland, Iceland, Poland, Switzerland); the country has a unique system combining aspects of public and private education (Ireland); or policies of subsidization have recently changed (Sweden). The province of British Columbia was selected to represent Canada because it has been the subject of several research studies and because it subsidizes both religious and other private schools. Several other provinces also aid private schools to various degrees.

Levels of Funding

- **High**: Private schools are eligible to receive a maximum government subsidy that is greater than about 66% of per-pupil allocations to public schools.
- **Moderate**: Private schools are eligible to receive a maximum government subsidy that is greater than about 33% but no more than about 66% of per-pupil allocations to public schools.
- **Low**: Private schools do not generally receive government subsidies, except in very limited situations. Or, the maximum government subsidy to private schools is less than about 33% of per-pupil allocations to public schools.

Levels of Regulation

- **High**: Government regulates curriculum, some aspects of admissions, and teacher salaries or working conditions; public authorities register and regularly inspect schools.
- **Moderate**: Government regulates curriculum (with opportunities for flexibility) and various other areas, such as tuition fees, staff qualifications, admissions, or testing; public authorities register or inspect schools to some degree.
- **Low**: Government holds schools to basic criteria, such as compliance with broad curricular goals, financial requirements, or testing procedures; may require some type of registration or certification.

Source: Center on Education Policy, 1999
**Teachers.** Several nations regulate the qualifications, salary, and employment conditions of teachers in subsidized private schools. Often these teachers must have the same certification as public school teachers and be paid the same salary. In France and Austria, teachers in certain subsidized private schools, including religious schools, have civil-servant status and are selected by the public authorities—with input from the private school in the case of France, or with the option for the school to reject unsuitable candidates in the case of Austria. In Italy, teachers in “officially recognized” private schools must be recruited by open competitive exam. Some nations regulate the retirement and pensions of private school teachers (Germany), while others address their collective bargaining rights (Portugal). Several countries set pupil-teacher ratios for private schools.

**Tuition, fees, and finance.** Some nations limit the amount of tuition or fees that subsidized private schools can charge (Denmark, Luxembourg); require them to maintain nonprofit status (Denmark); or prohibit certain subsidized schools from charging tuition at all (Belgium, France, Spain). In the Netherlands, private schools may accept outside contributions but cannot use them for teacher salaries. Several countries require private schools to submit financial reports and conform to government fiscal, budgeting, and allocation requirements (Norway).

**Religious instruction, “freedom of conscience,” and values.** The laws and constitutions of many countries recognize the rights of religious schools to offer religious instruction and worship and to maintain their distinctive character. Some of these same countries also give students and teachers the right to opt out of religious instruction or to freely exercise their conscience and lifestyle (France, Spain). In Sweden, private schools—including religious schools—are expected to embody the same values as public schools, such as democracy, tolerance, openness, and objectivity.

**Basic standards and timetables.** Private schools in most countries must have adequate physical facilities, enroll a minimum number of students, and meet health and safety standards. Often they must follow
the public school timetables for length of class periods, total instructional time, or length of the school day and year.

- **Representation on boards and councils.** In Spain, Portugal, Denmark, and elsewhere, private schools—including religious schools—must give representation to parents, teachers, students, or community members on councils or boards that have a role in school governance.

- **Government registry.** Several countries (Italy, United Kingdom, Alberta-Canada) require all private schools, subsidized or not, to register with the government, and some require government approval before they begin operating. The criteria for approval may be basic (Sweden) or may involve an extensive review of the private school’s facilities, staff qualifications, and curriculum and instruction (Germany). The government may revoke a school’s registration or approval if it falls out of compliance with criteria.

- **Recordkeeping and inspection.** Private schools in some countries must keep records concerning instruction, assessment, and other areas (Portugal). Often private schools must undergo regular inspections by a government authority (Austria). The inspectors check whether the schools are complying with regulations and may also look at such areas as administrative operations, finance, curriculum, quality of teaching, and student achievement. In some cases, the inspectors suggest ways to improve teaching (Ireland) or issue reports on individual teachers (Belgium-French Community). In Belgium’s French Community, a special public inspectorate monitors religious courses.

**IMPACT OF REGULATIONS:** Several studies have found that as a result of government regulation, private schools in other countries are often more like quasi-public schools. Research on Denmark, the Netherlands, and British Columbia-Canada suggests that subsidized private schools are fairly similar in curriculum and pedagogy, are not very innovative, and have lost some of their autonomy, religious character, or other distinctive features.
D. Lessons for the U.S.

**Finding:** Presently the U.S. provides only very limited kinds of assistance to private schools and regulates them far less than many other countries. But the basic impetus that has led other countries to link funding with government regulation also exists in the U.S. It is reasonable to assume that if American private schools began receiving substantially more funding through voucher or choice programs, the states or the federal government would increase the amount and scope of private school regulation beyond the current level.

The funding and regulation of private schools in the U.S. is primarily a state responsibility rather than a federal one and begins at a lower baseline than in many other countries.

**Aid to Private Schools in the U.S.:** In the U.S., public funding of private K–12 schools is restricted, subject to constitutional provisions regarding separation of church and state. Over the years, numerous state and federal court decisions have sought to clarify which kinds of government assistance to private schools are constitutionally acceptable. In 1998, the U.S. Supreme Court declined to review a Wisconsin state supreme court ruling, thereby leaving intact Milwaukee’s program of vouchers to religious schools and ensuring that the state legal landscape will remain complex and changeable for some time.

Although states vary in their policies, they generally provide almost no direct aid to private schools. The children who attend private schools, however, receive very limited types of state and federal assistance, most notably the following:

- **Busing.** Twenty-seven states permit publicly funded transportation to private schools.

- **Books.** Seventeen states can or do loan free textbooks to private school children.
■ **Auxiliary services.** Twenty-seven states provide various auxiliary services to private school children, such as immunization, vision and hearing tests, and diagnostic testing.

■ **Special federal programs.** Private school children receive services through public agencies under a variety of special federal and state education programs. Among these programs are extra reading and math services for disadvantaged children, education block grants for school improvement, and education for children with disabilities. In addition, private schools may participate directly in the federal school lunch program.

**REGULATION OF PRIVATE SCHOOLS IN THE U.S.:** A fact little known to many Americans is that private K–12 schools in the U.S. are subject to state regulation, although by international standards these regulations are minimal. Private schools are also affected by federal civil rights laws. But it is the states that are mainly responsible for regulating private schools. The most common areas of state regulation are the following:

■ **Attendance.** Thirty-one states require private schools to report attendance or enrollment counts.

■ **Certification.** Thirty-eight states have mandatory or voluntary procedures to register, approve, or accredit private schools as suitable providers of compulsory education; the other 12 do not engage in any kind of certification of private schools. Most states that do certify private schools simply approve them as meeting very basic criteria for education, health, and safety.

■ **Health and safety.** Nearly all the states require private schools to comply with basic standards, such as child immunization, fire safety, and alcohol and drug-free zones.

■ **Minimum education.** Thirty-six states set a minimum length for the school year, and 37 require private schools to teach basic subjects, such as reading, writing, math, and history.
POTENTIAL IMPACT OF VOUCHERS AND SCHOOL CHOICE:
Although the U.S. begins with a lower level of private school regulation than many other countries, our current baseline of regulations sets a precedent for government involvement that could be expanded if a perceived need arose. As the experiences of other countries show, when aid to private schools becomes more substantial, the impetus to regulate what occurs in these schools becomes stronger.

The adoption of publicly-funded voucher or choice programs would greatly increase the amount of government aid going to private K–12 schools (even if the funds were first channeled through the parents, as in a voucher program). And these programs would likely increase the impetus to regulate private schools. The states or the federal government—whichever was providing the funding—would have strong incentives to ensure that private schools were held accountable for public funds, that school choice programs helped and did not hurt educational equity, that choice programs were administered fairly and in a non-discriminatory way, that parents were protected from unscrupulous profiteers, and that private school students received an adequate education. There would be pressure on government to regulate and monitor such issues as how private schools select and reject students, how much tuition they charge, whether they manage their finances prudently, whether they are complying with civil rights guarantees, and how well their students are learning.

The experience abroad also suggests that some reasonable level of oversight and regulation is necessary to ensure that public aid programs for private schools promote social cohesion and educational equity instead of undermining it. In Australia, for example, which has high subsidies but rather low regulation, private school policies continue to attract controversy, with critics asserting that the provision of aid to private schools, including affluent independent schools, has had a detrimental effect on government school systems, and that the playing field is skewed in favor of the private sector.
U.S. taxpayers and political leaders must ask themselves whether they would want our nation to adopt a program of private school aid that did not contain assurances that private schools would use government funds properly, offer a satisfactory education, and address educational equity issues. The leaders of U.S. private schools, for their part, must ask themselves whether it would be worth their while to accept government funding if it went hand in hand with even a portion of the regulations found in other countries.
Major Sources

NOTE: A full list of references can be found on our Web site at www.ctredpol.org.


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The Center on Education Policy is the national, independent advocate for public education and for more effective public schools. The Center works to help Americans better understand the role of public education in a democracy and the need to improve the academic quality of public schools. We do not represent any special interests. Instead, we try to help citizens make sense of the conflicting opinions and perceptions about public education and create conditions that will lead to better public schools.

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