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Vouchers: Atlanta goes for gold

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Offering discounted private-school tuition to inner-city families, Jim Kelly has learned, is like hawking umbrellas in a downpour: it just doesn't get much easier.

As executive director of the Georgia Community Foundation, Kelly administers a dwindling fund that has provided 200 half-tuition private-school scholarships to Atlanta children since 1992. Now, amid signs the school-voucher movement is picking up steam, he's eyeing a much bigger jackpot.

The Alpharetta lawyer hopes to land \$5 million from the Children's Scholarship Fund, established last month by Wall Street financier Ted Forstmann and John Walton, son of the late Wal-Mart Stores Inc. founder, Sam Walton. Forstmann, chairman of Savannah's Gulfstream Aerospace Corp., and Walton plan to bankroll \$100 million worth of private-school vouchers during the next five years in several dozen U.S. cities.

Matched locally by individual and corporate donations, the \$10 million pot would help send hundreds of Atlanta youth to private schools, Kelly said.

The unveiling of the largest-ever privately funded voucher program comes amid growing frustration, shared by Kelly, that public schools aren't reforming fast enough to serve the needs of the nation's poorest urban children.

"How much longer should these families have to wait until the public schools fix themselves enough so they're able to provide even an adequate education?" Kelly said.

Instead of waiting on what they see as an intransigent public-school establishment or an onerous court system, where the contentious issue of publicly funded vouchers often lands, wealthy proponents have started more than 40 privately subsidized programs around the country, according to CEO America.

Scholarships funded by individuals or private foundations circumvent both political and legal obstacles.

Kelly's involvement with educational scholarships began when he started the Georgia Community Foundation, a donor-advised fund that grew out of his estate-planning firm in 1992. Two of the first donors made education-related gifts.

Then in the fall of 1996, Atlanta insurance executive and philanthropist Henry F. McCamish Jr. asked Kelly to manage the remainder of his \$1 million scholarship fund, which awarded poor metro-area families -- those who qualified for free school lunches -- half-tuition at private schools, up to \$3,000 a year. About 50 students continue to receive

scholarship money.

As part of his new responsibility, Kelly attended a national conference of CEO America, an Arkansas-based group that provides support and seed money to local private-school voucher ventures.

"All of a sudden, I realized this was a national movement," said Kelly.

Vouchers gain momentum

Today, there are increasing signs that school vouchers -- once embraced only by conservative and free-market thinkers -- are gaining mainstream support. Recent high-profile converts include former U.S. Rep. Floyd Flake, a New York City Democrat, and Arthur Levine, president of Columbia University's Teachers College. And last month, the Wisconsin Supreme Court upheld the state's voucher plan for 15,000 Milwaukee public-school students.

The hot-button issue also is attracting the attention of more inner-city residents, such as Louise Watley, a longtime Carver Homes resident and an outspoken voucher proponent. Two of Watley's grandchildren transferred in 1993 from Atlanta Public Schools to Mt. Vernon Baptist Academy, a 110-student private school in southwest Atlanta, thanks to Children's Education Foundation vouchers that cover half the school's \$3,250 annual tuition.

"I think people are tired of what they're seeing in public schools," Watley said. Politicians and public-school advocates, she said, "can no longer keep people in the dark and misinformed [about vouchers]."

The other side

But public-school supporters in Atlanta said the battle to improve education belongs in public schools, where the majority of Georgia's children receive their education.

"I'm all for them giving their money away if they want to, but the big concern appears to me to be improving schools for all children," said Tom Upchurch, executive director of the Georgia Partnership for Excellence in Education, a Georgia Chamber of Commerce-backed group that supports public schools.

Norman Johnson, president of the Atlanta Board of Education, said the private-school vouchers would "create some opportunities for poor kids that they otherwise wouldn't have." But, he doubts that such programs, because of their relatively small scale, would have any spillover effects on public schools.

Kelly said he's not about bashing or abandoning public schools. He simply sees vouchers as a mechanism to provide relief to poor families whose children aren't well-served by the current system.

"This is about providing the best education possible for poor kids," said Kelly, 42, whose two daughters attend Mt. Pisgah Christian School. "As far as changing institutions, we'll leave that for someone else."

Estimating the number of Atlanta beneficiaries of a \$10 million fund is difficult, partly because the Children's Scholarship Fund hasn't yet set rules to govern how the money will be distributed. It has pledged flexibility, however, and upholds as its model the Washington Scholarship Fund, which uses a sliding scale ranging from 30 percent to 60 percent of tuition.

Kelly anticipates learning more specifics at a July 24-25 meeting in Houston. An announcement of about 35 to 45 winning cities (five were named in June) will follow in late September.

But to jump-start his GOAL for Kids Scholarship Fund, Kelly must prove he can raise matching dollars locally.

"The vehicle may be as simple as a signed pledge," said Douglas Dewey, executive vice president of the Children's Scholarship Foundation. But, he added, "It's got to be a firm pledge."

That could prove daunting in a city where blue-chip companies, such as BellSouth Corp., United Parcel Service of America Inc. and IBM Corp., historically have backed public education.

Ann Cramer, who oversees IBM's educational partnerships, doesn't foresee her company shifting resources away from public schools.

"That's where the balance of our young people are trained," she said.

Kelly concedes the difficulty in soliciting help from big corporations. But he envisions Atlanta's free-market entrepreneurial types -- such as the leaders of new technology upstarts -- as prime candidates for contributions.

"This is an opportunity that entrepreneurs should just jump at," he said.

And he wonders whether corporate Atlanta's frustration with sluggish public-school bureaucracies soon will lead some larger companies to consider vouchers as well.

One thing Kelly is sure about is the bubbling demand for educational choice. He receives about one call every three weeks from an eligible family asking about the existing private-school voucher program.

"[Parents] are distressed," he said. "They just want immediate relief right now."