DOCUMENT RESUME

ED 435 128 EA 030 112

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TITLE What We Know about Vouchers: The Facts behind the Rhetoric.
INSTITUTION WestEd, San Francisco, CA.
SPONS AGENCY Office of Educational Research and Improvement (ED), Washington, DC.
PUB DATE 1999-09-00
NOTE 17p.; Document researched and prepared with the assistance of Kate Rix.
CONTRACT RJ96006901
PUB TYPE Information Analyses (070)
EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Charter Schools; Educational Finance; *Educational Policy; Educational Research; *Educational Vouchers; Elementary Secondary Education; Nontraditional Education; Policy Analysis; *School Choice

ABSTRACT

This report examines research on education vouchers. It discusses how most studies have focused on the systems in place in Milwaukee, Cleveland, and New York City. Although researchers have accused each other of specious findings, some generally consistent results have arisen: families that are served by vouchers are generally low income, parents were more satisfied with private schools than with prior public schools, the education levels of parents of enrolled voucher students were higher than those of students in the public schools generally, voucher students were more likely to live in single-parent families, students of certain racial and ethnic backgrounds made up a greater portion of voucher recipients than their numbers in the school populations would predict, and mobility rates and attrition rates were essentially the same for voucher recipients and public school students. Inconsistent findings were also evident, including the effects of vouchers on student achievement, as well as the degree of parental involvement. The report recommends that more attention be devoted to other choice alternatives, costs, program design, and the education gap. Synopses of alternatives for providing school choice, such as charter schools, open enrollment, homeschooling, magnet schools, and private vouchers, are presented. Contains 10 references. (RJM)

What we know about Vouchers

the facts behind the rhetoric

The school choice movement has gained enormous momentum over the past decade, generating debate over enrollment alternatives such as charter schools, district-wide choice, and tuition tax credits. Perhaps the most controversial enrollment alternative — and also one of the most divisive issues in education today — is the use of school vouchers.

In the broadest sense, publicly funded voucher programs provide state education money for families to spend on tuition at private schools, and in some cases at religious private schools. So charged are people's feelings about this expenditure of public funds that even the proposal of a voucher program inflames passionate debate among parents, policymakers, and educators.

Vouchers also raise a range of questions. For example, do vouchers that can be used at religious schools violate the constitutional separation of church and state? Should vouchers have income stipulations? Should vouchers be available only for students whose schools are judged as "failing"? And will vouchers help or hurt the public school system — and most children — in the long run?

(continued on page 2)

(continued from page 1)

The array of issues raised by vouchers creates some unusual political alliances. Supporters include political conservatives, who favor school choice in general, and many low-income parents, who feel that vouchers give poor children a way out of low-performing public schools. Opponents include political liberals, who see vouchers as a threat to the public education system and to the separation of church and state, as well as some libertarians concerned about government intrusion in private schools.

While policymakers and the public consider the arguments for and against vouchers, certain parents in areas where vouchers are available are already making their own decisions. Confronted with the choice of using a voucher or not, families weigh their children's needs, the quality of local public and private schools, their philosophies about education, and their financial resources.

For a summary of the arguments made for and against vouchers, and interviews with two mothers who have chosen different options for their children in Cleveland's publicly funded voucher program, see page 4, "Voucher Pros and Cons."

What the Research Shows

Will voucher programs provide a better education for our students? Parents, teachers, administrators, politicians, and the public want a response to this all-important question. Unfortunately, the research to date provides no conclusive answers.

The majority of the research to date focuses on voucher programs in Milwaukee and Cleveland. Thus far, three major reports have been issued on the Milwaukee program. The first study was conducted by a Wisconsin state-appointed evaluator (Witte, 1995). Subsequently a team of researchers from Harvard's Program on Education Policy and Governance (PEPG) and Department of Statistics and the University of Houston's Center for Public Policy reanalyzed the data (Greene, Peterson, and Du, 1996). Finally, an independent researcher at Princeton University issued a separate report (Rouse, 1997). This author later compared students at private schools participating in the voucher program with students in three different types of Milwaukee public schools: regular-attendance area schools, magnet schools, and special schools with small class sizes and supplemental funding from the state of Wisconsin (Preschool to Grade 5 Grant Program, or P-5, schools) (Rouse, 1998). Each author or group of authors stated different results.

Similarly, in Cleveland, researchers from Harvard's PEPG (Greene, Howell, and Peterson, 1997) reported different outcomes on student achievement than those later found by a team of researchers from Indiana University (Metcalf, 1998). The Harvard team then reanalyzed the Indiana data (Peterson, 1998a) and issued a second-year report (Peterson, 1999) reconfirming most of their initial findings.

The divergence in the reports on both the Milwaukee and Cleveland programs stems from differences in methodologies,

including different models for analyzing data and whether and how to control for family background and student ability. The authors and other independent researchers have attacked each of the methods used and claimed the various reports lack credibility. Moreover, the researchers are sometimes perceived as biased and using their statistics to emphasize either positive or negative aspects of the voucher programs.

The Harvard PEPG team also undertook an evaluation of New York City's School Choice Scholarship Program, a privately funded voucher program (Peterson, 1998b). The results of this study may be helpful in providing added information about voucher programs generally, but this study also has been criticized for its methods of analyzing student and family data.

Generally Consistent Findings

Taking all cautions about the research into account, certain findings were reported consistently across the studies. Similarities were found in family income, parental satisfaction, parental education, parental marital status and family size, race and ethnicity, and attrition and mobility of voucher users.

Family income

The studies offer evidence that the Milwaukee, Cleveland, and New York City programs do serve low-income families.[1] In Cleveland in 1998, the average family income of voucher recipients was $15,800; the average family income of public school students for the same year was $20,000. In Milwaukee, mean family income for students enrolled in the voucher program between 1990 and 1994 was $11,300; the mean family income for the 1991 control group of Milwaukee public school families was $22,000.

In New York City, only children from families with incomes low enough to qualify for the U.S. government's free lunch program could enter the lottery for a School Choice Scholarship. Average household income of applicants was $9,600 and 72% of these families reported receiving either welfare or social security. However, it is important to note that in the first year of the program only 75% of those offered scholarships made use of them. Incomes of families who did make use of the scholarship were higher than those who did not, and 14% of those offered a scholarship cited an inability to pay school tuition or other costs beyond those covered by the voucher as the reason for not enrolling their children in a "preferred" school.

Parental satisfaction

Those studies that examined parental satisfaction found that parents of students in voucher schools were more satisfied with their private schools than with prior public schools. Voucher parents also rated their schools higher than either public school parents denied vouchers or public school parents generally. In Cleveland, voucher and public school parents showed significant differences in satisfaction with such school program elements as academics, safety, school discipline, class size, school facility, the teaching of moral values, and student respect for teachers. Similarly, in Milwaukee and New York, voucher parents reported greater levels of satisfaction with numerous aspects of their private school programs than did their public school counterparts.

Parental education

Education levels of parents of enrolled voucher students were higher than those of students in the public schools generally. In Milwaukee, more than half of the voucher mothers reported some college

(continued on page 5)

Voucher Pros and Cons

Critics argue that:

Only the most motivated students will use vouchers, increasing the segregation of students by race, economic status, and parents' educational background.

Vouchers weaken the public schools by diverting resources from them.

Lack of accountability and quality control at voucher schools is a misuse of public money.

Spending public money on religious education is unconstitutional.

Transportation problems and difficulties in providing adequate information to all parents will make voucher systems inequitable.

Property taxes will rise as state aid to local districts is lost.

Vouchers will increase overall costs. Private schools, like any other government contractor, will become even more dependent on and demanding of public funds, causing more spending.

Vouchers do not really equalize the playing field, since no voucher program so far provides enough money for poor children to be able to attend the most expensive private schools.

I really think that the voucher issue is a complete red herring. It confuses the basic point: We need to deliver education in Cleveland to 75,000 children. A voucher program doesn't do that. Vouchers will never provide enough money to give everybody a choice, and if they do, you have a huge issue of accountability.

The mandate has to be to deliver quality education for all children. The public school system might not be perfect, but there's nothing I know about that does a better job. School choice has been a very big part of Cleveland's education strategy — choice within the district and magnet schools. I think that's what a big city school district can offer, a chance for choice, maybe a school nearer to a babysitter, or a school with better test scores.

I think there's so much opportunity to make sure your child has a good education in the public schools. If a parent worked 10 hours a month working on their child's education, how great would that be? Or 10 hours a month working at their child's school, how great would that be?

— Marie Kitteridge, Cleveland mother whose four children attend a public magnet elementary school.

Supporters argue that:

Low-income parents should be able to choose private schools over poorly performing public schools.

Increased competition from voucher schools will force public schools to improve, or risk closure.

Private schools are unburdened by bureaucracy and regulations that hamstring the public school system.

Private schools provide more tailored services at a lower cost.

Voucher systems allow parents more influence over their children's education.

Voucher programs emphasize educational choices, not requirements dictated by the government.

Vouchers expand options for low-income parents, enhancing their feelings of empowerment and inclusion in society.

I was really concerned about one of my girls. Before I adopted her she'd been on the streets for two years and she really didn't fit into the [public] school. She had come around some but I knew it would not work for her. So when she was awarded [a voucher], I was really happy. It wasn't that her grades shot up, but we began to notice a change in her attitude and the way she tackled things. I was able to go to the [voucher] school and let them know what I expected, and we worked together. That was really important to me.

If the voucher system does not work, the public school is not an option for me. I'd quit my job and homeschool them. My kids did not have books. Many times, school would begin and I'd accompany my kids to class and the teachers weren't even there. There were too many signs that they didn't care about my children.

— Roberta Kitchens, Cleveland mother of five whose two youngest children use vouchers to attend private schools.

(continued from page 3)

education (56%), compared with 40% of public school parents and 30% of low-income public school parents. Similarly, in Cleveland, 51% of voucher mothers had some college training, while only 30% of public school parents did. Even more dramatic were the differences in education between New York City mothers whose children applied for the lottery and mothers in the eligible low-income population generally: 54% of the "lottery mothers" reported some college education while among the low-income mothers in general only 19% reported some college education. Education levels of fathers reflected similar trends, though the differences were not as great.

Parental marital status and family size

In each of the three cities, voucher students were more likely to live in single-parent families. In both Milwaukee and Cleveland, the studies showed that the mean number of children in voucher school households was slightly lower than in public school households. The New York City study did not report on family size.

Race/ethnicity

Students of certain racial and ethnic backgrounds make up a greater portion of voucher recipients than their numbers in the school population would predict. In Milwaukee, African American students made up 73% of enrolled voucher students between 1990 and 1994, while such students comprised only 55% of the public school population in 1991. Hispanic students accounted for 21% of enrolled voucher students during the same time period, while comprising only 10% of the public school population. On the other hand, the percentage of Asian and Native American students was greater in the Milwaukee public schools than in the voucher program. White students, who make up 29% of the public school population, accounted only for 5% of voucher students.

In Cleveland, there was a similar trend, though in this city Hispanic students made up a larger percentage of public school students (8%) than of voucher students (4%). The New York study does not compare racial characteristics of voucher applicants with the public school population, but it does report that 44% of the mothers who applied for the program were African American and 47% were Hispanic. (It is important to note, however, that Spanish was the language spoken at home for nearly 50% of eligible New York families, but for only 20% of the scholarship applicants.)

Attrition and mobility

In all three programs mobility rates (students moving from one school to another within the school year) and attrition rates (nongraduating students not returning to the school they attended the previous year) were essentially the same for voucher recipients and public school students. Attrition rates for voucher students in Cleveland and New York were roughly 20%. In Milwaukee, attrition rates declined from 46% after the first year of the program to 28% following the program's fifth year. Reasons Milwaukee parents cited for leaving their voucher schools included quality of the school staff, quality of school's education program, lack of programs for special needs students within the school, lack of transportation, relocation, program application problems, and fee changes. Similar reasons were given by Cleveland and New York parents.

MOBILITY RATES AND ATTRITION RATES WERE ESSENTIALLY THE SAME FOR VOUCHER RECIPIENTS AND PUBLIC SCHOOL STUDENTS

INCONSISTENT FINDINGS

The biggest concern raised by the research is the inconclusive nature of the findings about student achievement. Another area of inconsistent findings is the reported level of parental involvement.

Student achievement

Effects of vouchers on student achievement are unclear. The three studies of the Milwaukee program all reached conflicting conclusions on achievement effects. The state-appointed evaluator found achievement of voucher students was no different than the achievement of public school students. A reanalysis of the data by the team from Harvard University and the University of Houston found that students who used vouchers to attend private schools for three to four years scored higher in both math and reading than their public school counterparts. In the third study, the Princeton researcher concluded that the voucher program had a positive effect on math achievement but resulted in no improvement in reading scores of students using vouchers. This researcher also extended her analysis to compare the achievement of students in schools accepting voucher students with that of students in regular public schools, magnet schools, and specially funded P-5 schools. She concluded that in the P-5 schools, in which class sizes are smaller than in regular public schools or in magnet schools, students have math score gains equal to those of students in the private schools participating in the voucher program and "significantly faster" reading score gains than either students in the participating private schools or in the other public schools.

Similarly, the studies of the Cleveland voucher program's academic effects have returned mixed results. An evaluation by PEPG of the two HOPE schools (schools formed in response to the implementation of the program and composed largely of voucher students) found "moderate" gains in reading and "large gains" in math for these students.[2] A subsequent study by researchers from Indiana University, which examined third grade voucher students, except those in HOPE schools, uncovered no significant differences between the voucher students and public school students with comparable demographic characteristics and similar prior academic achievement. However, the study did find significant differences, favoring voucher students, when background characteristics were not considered. The Harvard team reanalyzed the Indiana findings and found positive effects for voucher students even when family demographics were considered. The second-year evaluation of the HOPE schools from the Harvard team reported maintenance of initial gains for HOPE school students, but no incremental gains.

When the Harvard PEPG group examined the New York program, they found "small but positive" impacts of using a scholarship. Overall, enrolled voucher students in grades 2–5 scored 2.0 percentile points higher than their public school counterparts in math and 2.2 percentile points higher in reading.[3] Interestingly, while in grades 2, 4, and 5 the differences favor the voucher students, in grade three, voucher students performed less well than their public school peers. The researchers do not know why results differed for grade 3.

Parental involvement

In Milwaukee and New York City, the studies found positive effects of vouchers on parental involvement. In Milwaukee, parent involvement was stressed in most of the voucher schools and was required in the contracts signed by parents at

several schools. Milwaukee voucher parents were more likely than their public school counterparts to be involved in organizational activities, such as working on committees and fundraising, and educational activities, such as chaperoning field trips and volunteering in the classroom. In Cleveland, however, public school parents reported just as high levels of involvement in school activities and the education of their children as did parents of voucher students.

Concerns about Current Research

The current research should be approached cautiously and evaluated rigorously. As has been stated above, the conflicting reports on student achievement result from different methodologies, different sample populations and control groups, and different modes of analyzing the data. The researchers themselves, as well as their critics, point out that the quality of the data was limited or compromised in a variety of ways. Small sample sizes, incomplete baseline data sets, changes in the standardized tests used to assess achievement, and the difficulty of accurately accounting for comparable student and family background characteristics posed methodological and statistical challenges that in some cases could not be overcome.

Furthermore, because the designs of the Milwaukee, Cleveland, and New York City programs are each quite restricted — as to who can participate, how potential participants are recruited, and how much support is provided, for instance — the researchers and their critics warn that these programs do not test the assumption that vouchers can improve education through marketplace competition and incentives.

Trends and Recommendations

Arguably the most controversial issue in education reform today, the debate over vouchers will continue in many forums. In the political realm, we are certain to see vouchers as the subject of ballot initiatives, legislative bills, campaign pledges, and gubernatorial priorities. Legal disputes over the constitutionality of vouchers will be heard in state and federal courts. The Supreme Court may choose to hear the Arizona tax-credit case — and for many, this type of tax credit is no more than a voucher substitute — but no case specifically concerning a true voucher program is currently scheduled to come before the Court.

In the meantime, educators, taxpayers, policymakers, and parents are increasingly likely to face decisions about whether to support or oppose an array of voucher or voucher-like programs — even without the benefit of conclusive information from research.

In making these decisions, families may focus on what is immediately best for their own children. Policymakers, however, must take a broad view. They will need to contemplate the effects vouchers may have not only on those who seek

(continued on page 10)

Legal Status of Publicly Financed Voucher Programs

Florida

PROGRAM CHARACTERISTICS

Current Status: Religious schools included; two state court challenges filed.

Applicability: Statewide for students at schools that have been rated "failing" on criteria such as test scores, attendance and graduation rates, discipline data, and readiness for college.

Grade Range: K-12.

Number of Students/Schools Affected: In the 1999-2000 school year, students in four schools were eligible for vouchers. Students in as many as 169 schools could qualify for vouchers in the 2000-01 school year.

Public/Private/Religious School Options: Students assigned to schools receiving failing grades for two of every four years may enroll in higher-performing public schools within the district, or in another district that has available space, or they may request "opportunity scholarships" to attend private secular or religious schools. Private schools must accept scholarship students at random, without regard to previous academic records.

Income Guidelines: None.

Voucher Amount: The state pays a voucher equal to either the tuition of the private school or the cost of the program that would have been provided in the student's assigned public school (approximately $4,000), whichever is less. Schools that accept scholarship students are prohibited from collecting additional tuition from them.

Transportation: School districts pay transportation costs of students enrolling in higher-performing public schools in the district; parents or guardians pay if enrolling their children outside the district or in private schools.

LEGAL HISTORY

Enacted: June 1999, for implementation August 1999.

Challenged: *Holmes v. Bush; Florida Education Association United AFT, AFL-CIO v. State Board of Education*: Suits filed in state court challenging the program as violating both the Florida and U.S. constitutions' prohibition against government establishment of religion and the Florida state constitution's requirement that the state maintain a high-quality system of free public schools (June 1999).

Maine

PROGRAM CHARACTERISTICS

Current Status: Religious schools excluded; two appeals filed with U.S. Supreme Court.

Applicability: Districts lacking elementary or secondary schools.

Grade Range: K-12.

Number of Schools/Students Affected: In the 1998-99 school year 14,541 students participated in the program. Of those, 5,295 attended 39 private schools.

Public/Private/Religious School Options: Districts without high schools or elementary schools reimburse families for sending their children to public schools in other districts or to secular private schools within or outside of the state, but not to religious schools (program is known as "tuitioning"). Districts, however, can contract with specific secular private schools or nearby public schools, in which case families must choose a contract school.

Income Guidelines: None.

Voucher Amount: District pays up to state average of public education cost for students (approximately $4,000 for elementary students and $5,000 for secondary students in 1998-99).

Transportation: Districts can choose whether or not to cover the cost.

LEGAL HISTORY

Enacted: 1954.

Challenged: *Bagley v. Raymond School Department*: Suit brought by parents who sought reimbursement for sending their children to religious schools. Maine Supreme Judicial Court ruled that inclusion of religious schools in the tuitioning program would violate the U.S. Constitution's prohibition against government establishment of religion, and that the exclusion of religious schools from the program does not violate parents' right to free exercise of religion (April 1999). *Strout v. Albanese*: U.S. Court of Appeals for the 1st Circuit also ruled that inclusion of religious schools would be unconstitutional. The federal court decision is binding in Maine, New Hampshire, Massachusetts, Rhode Island, and Puerto Rico (May 1999).

Appeals Filed: Appeals to the U.S. Supreme Court have been filed in both the *Bagley* and *Strout* cases.

Ohio (Cleveland)

PROGRAM CHARACTERISTICS

Current Status: Religious schools included. Injunction issued by U.S. District Court Judge Solomon Oliver, Jr. halting the program until he rules on its constitutionality. Students who received vouchers last year are allowed to remain in their schools. New students to the program cannot participate. Appeal of injunction filed with the U.S. Court of Appeals for the 6th Circuit.

Applicability: Cleveland Scholarship and Tutoring Program operates only in the city of Cleveland.

Grade Range: K-7.

Number of Students Affected: In 1998-99, 3,674 students participated; total capped by program appropriation.

Public/Private/Religious School Options: Families may use vouchers at private secular or religious schools. In 1998-99, 59 private schools participated; the majority were religious schools. Two schools, called HOPE schools, established in response to the legislation, are composed mostly of voucher students.

Income Guidelines: Lottery selection gives preferences to low-income families.

Voucher Amount: Students whose family income is below 200% of the poverty line receive 90% of the selected school's tuition or $2,250, whichever is less. Students whose family income is at or above 200% of the poverty line receive 75% of the selected school's tuition or $1,875, whichever is less.

Transportation: District provides.

LEGAL HISTORY

Enacted: 1995, reauthorized 1999.

Challenged: *Simmons-Harris v. Goff*: Ohio Supreme Court ruled that program does not violate religion clauses of U.S. or Ohio constitutions. However, the program was struck down for violating the state's "one subject" rule for legislative bills (the program originally passed as part of a large budget bill) (May 1999). The Ohio legislature reauthorized the program in a separate education bill (June 1999) in significantly the same form. In August 1999 U.S. District Court Judge Solomon Oliver, Jr. stated there was probable cause to believe the program violated the constitutional separation of church and state and issued an injunction that allows only students who used the vouchers last year to remain in their private schools, but that restricts new students from participating in the the program.

Appeal Filed: Ohio's Attorney General filed an appeal of the injunction with the U.S. Court of Appeals for the 6th Circuit.

Decision Pending: A decision as to the constitutionality of the Cleveland program is pending in federal district court.

Puerto Rico

PROGRAM CHARACTERISTICS

Current Status: Public school transfers open to all; funds for private religious and secular school tuition legally eliminated from 1993 program. 1999 program to provide funds for non-tuition, education-related expenses such as transportation, uniforms, and computers, currently halted by injunction.

Applicability: Commonwealth-wide.

Grade Range: 1993 program: 2-12; 1999 program pre-K through postsecondary.

Number of Schools/Students Affected: The 1993 program operated in its entirety for only two years. In the second year (1994-95), 14,101 vouchers were awarded; 10,598 students used the vouchers to transfer from one public school to another; 1,793 moved from private to public schools; 1,710 moved from public to private schools.

Public/Private/Religious School Options: The 1993 program originally allowed special scholarships and educational vouchers for free selection of public schools by students from other public schools, free selection of public schools by students from private schools, or access to private schools by students from public schools. The 1999 program allows for secular or religious private school expenses, but not tuition.

Income Guidelines: 1993: Family income below $18,000 for private school vouchers; no income guidelines for transfer from one public school to another. 1999: low-income students (using P.R. and federal poverty guidelines).

Voucher Amount: 1993: Up to $1,500 per voucher. 1999: Determined by program's governing board.

Transportation: 1993: Not provided. 1999: Allowable use of funds.

LEGAL HISTORY

Enacted: 1993; 1999.

Challenged: *Asociacion de Maestros de P.R. v. Arsenio Torres.* In November 1994, the Puerto Rico Supreme Court ruled the section of the program allowing families to send their children to private schools, either secular or religious, violated Puerto Rico's constitutional separation of church and state and prohibition against the use of public funds for the maintenance of educational institutions not run by the state. The court permitted the program to continue until the end of the 1994-95 school year. Because the ruling was based entirely on Puerto Rico law, an appeal to the U.S. Supreme Court is not possible. The 1999 program to provide funds for non-tuition, education-related expenses has been halted by an injunction.

Vermont

PROGRAM CHARACTERISTICS

Current Status: Religious schools excluded; no appeal to U.S. Supreme Court possible.

Applicability: Districts lacking elementary or secondary schools.

Grade Range: K-12.

Number of Schools/Students Affected: In 1998-99 about 400 students attended private schools under the program.

Public/Private/Religious School Options: Districts without high schools or elementary schools reimburse parents for sending their children to public schools in other districts or to secular private schools within or outside of the state, but not to religious schools (program is known as "tuitioning"). In certain areas, union districts have been created to centralize high school attendance from small rural towns, and in these towns families do not have the option of being reimbursed for private school costs.

Income Guidelines: None.

Voucher Amount: District pays state average of public education cost (approximately $5,500 for elementary students and $6,400 for secondary students in 1998-99). Families must pay any additional tuition costs, or district electorate can vote to pay full tuition.

Transportation: Districts can choose whether or not to provide or to reimburse families for costs.

LEGAL HISTORY

Enacted: 1869. Program as originally enacted included religious schools. In 1961, Vermont Supreme Court ruling prohibited inclusion of religious schools; statute subsequently amended.

Challenged: *Chittenden Town School District v. Vermont Department of Education*: Town of Chittenden, which has no public high school, agreed to pay tuition for about a dozen families who send their children to religious schools. State threatened loss of all state funds and filed suit against school district. Vermont Supreme Court ruled extension of program to include religious schools would violate state constitution's prohibition against compelled support for religion (June 1999). No U.S. Supreme Court appeal is possible because the case was decided solely on state constitutional grounds.

Wisconsin (Milwaukee)

PROGRAM CHARACTERISTICS

Current Status: Religious schools included; U.S. Supreme Court declined to review.

Applicability: Milwaukee Parental Choice Program operates only in Milwaukee.

Grade Range: K-12.

Number of Schools/Students Affected: Vouchers are limited to 15% of the district's school population. In 1998-99, although allowable participation was 15,000 students, only 6,100 spaces were available in the private schools. Of the 86 participating schools, 30 were secular and 50 were religious. In 1999-2000, 8,000-8,500 students are expected to attend almost 100 private schools, the large majority of which are religious. Since demand exceeds available space, voucher students are selected by lottery.

Public/Private/Religious School Options: Students may attend either secular or religious schools, which must accept them on a random basis. Preference can be given to continuing students and to siblings. (In February 1999 a complaint filed with the Milwaukee Department of Public Instruction asserted that 35 of the participating private schools' selection plans violate the random selection requirement by giving preference on religious or other grounds or by imposing admissions requirements on voucher students.)

Income Guidelines: Family income may not exceed 1.75% of the poverty level.

Voucher Amount: The state pays a voucher equal to the operating and service cost per pupil at the private school or the district's state equalization aid per student (approximately $5,100 in 1999-2000), whichever is less. Private schools cannot charge voucher students more than this.

Transportation: Voucher students, like all private school students in Wisconsin, are entitled to transportation provided by their local public school district if the student lives more than two miles from the private school and within an approved "attendance area" of it. If the private school chooses to provide transportation, a fee may be charged.

LEGAL HISTORY

Enacted: 1990, modified 1995. Program originally did not include religious schools. In 1995 the legislature amended the law to include them.

Challenged: *Jackson v. Benson*: In June 1998, the Wisconsin Supreme Court ruled that inclusion of religious schools in the program does not violate the U.S. or the Wisconsin state constitutions' prohibitions against government support of religion.

Appeal Denied: U.S. Supreme Court declined to review (November 1998).

VIRTUALLY NO STUDIES CONDUCTED TO DATE ARE SEEN AS CREDIBLE TO BOTH VOUCHER ADVOCATES AND VOUCHER OPPONENTS

(continued from page 7)

and choose to use them, but also the effects on all other children: those who seek a voucher but are denied such an opportunity, those who obtain a voucher, but for certain reasons — lack of necessary additional funds or transportation problems, for example — cannot use the voucher, those who lack information about voucher programs, and those who prefer to remain in the public schools. Moreover, policymakers must keep in mind their accountability concerning the expenditure of public funds and their responsibility to promote both the interests of their constituents and the wider interests of the state or nation.

RECOMMENDATIONS

Consideration of voucher programs could surely benefit from more research. A number of other issues — from concerns about costs to the role of schools in acculturation — merit increased attention as well.

Need for more research

As indicated by the investigators themselves, the research on vouchers and their effects is extremely limited. Moreover, few studies conducted to date are credible to both sides of the issue. What is needed is a large-scale, multiyear study or series of studies whose methodology is agreed to by voucher proponents and opponents before the study is undertaken. Further evaluation by certain research groups, such as Harvard's Program on Education Policy and Governance, is in process, but collaborative work by those in favor of and opposed to the use of vouchers would be extremely valuable.

Availability of other choice alternatives

Many states already have numerous choice options (i.e., charter schools, open enrollment, magnet programs, homeschooling, tax credits/deductions, and postsecondary enrollment programs), structured differently in different locales. Policymakers must examine how these programs are operating. If these alternatives are successful, is there a need for a voucher program? If they are failing, how will a voucher program overcome the barriers that these programs could not? (See page 14, "Alternative Methods for Providing School Choice.")

Issues of cost

Two types of costs need to be considered: (1) costs of the program itself, including administration and evaluation, that drain the resources of the public schools, and (2) costs of potential court challenges. The value and number of individual vouchers will obviously influence program costs. The resources lost to a public school district and the manner in which such resources may be recaptured (e.g., higher property taxes) also need to be considered. Finally, in implementing a publicly funded voucher program, districts and states must anticipate the legal costs of defending any program from likely court challenges.

Program design and the education gap

Policymakers must carefully consider what program elements to specify in legislation and what to leave to regulations and/or interpretation. Because the design of a program has a tremendous impact on who will have access to vouchers, who will use vouchers, and how the education system will be affected, policymakers must keep long-term goals in mind as they consider small details of program construction.

Educational opportunities have the potential to be one of the great equalizers in our society. However, if such opportunities are available to some, but not to others, they also may serve as the basis for continued and long-term inequities, especially as the quality of children's elementary and secondary education becomes more and more important in determining their access to postsecondary education and future employment. Thus, policies that may reduce or aggravate educational stratification — intentionally or unintentionally — need special scrutiny.

Each of the following program design considerations is likely to affect a voucher program's impact on the education gap.

Availability of vouchers: Will vouchers be available only to low-income families? Will they be available to families with children already enrolled in private schools?

Amount of voucher: Will the voucher cover the entire tuition or only part of the tuition? Will the amount of the voucher vary depending on family income?

Selection of voucher recipients: If more families apply than space or funding can accommodate, how will students be selected? Will selection be completely random? Will families with the lowest incomes be given preferences? Will siblings of children already enrolled in a voucher school receive preferences?

Information dissemination: How will parents learn of the program? What types of outreach will occur? How will "hard to reach" parents (e.g., parents working multiple jobs, parents with limited or no English) be contacted?

Engagement of nonchoosers: Will the program rely on parents to apply for a voucher or will all parents, parents of a certain income level, or parents at certain schools be actively offered a voucher or even required to choose?

Racial/ethnic balance: Will racial/ethnic balance among voucher recipients be considered? Will private schools accepting voucher students be monitored to ensure against racial/ethnic discrimination?

Provisions for students with special needs: Will special education students have the same opportunities as other students? Will private schools accepting voucher students receive extra funding for special education students? Will private schools be required to admit students without consideration of past achievement and/or discipline problems?

Transportation: Will families need to arrange and pay for transportation or will transportation be the responsibility of the state, the district, or the voucher program? Will transportation, if provided, be available to and from any selected school or only schools within a certain radius from a student's home?

POLICIES LIKE VOUCHERS, WHICH MAY REDUCE OR AGGRAVATE THE EDUCATION GAP, NEED SPECIAL SCRUTINY

Impact on private schools

Increased public funding for private schools is usually accompanied by increased regulation of such schools. Private schools participating in voucher programs generally find large increases in the amount of paperwork they are required to complete and occasionally have problems with cash flow. When providing funding to private schools, policymakers will feel pressure to

(continued on page 13)

Alternatives for Providing School Choice

Publicly funded voucher programs represent only one of many ways in which school districts and states may offer enhanced enrollment options. Alternative methods of increasing school choice are being tried in numerous districts and states, as are privately funded voucher programs.

Charter Schools

Charter schools — independent public schools formed by teachers, parents and/or community members and freed from most state and local laws and regulations — are an increasingly popular method of providing school choice. The school functions under a contract or "charter" between the members of the charter school community and the local district or the state. Currently 36 states, Puerto Rico, and the District of Columbia have charter school laws.

Open Enrollment

Also known as intradistrict and interdistrict choice, open enrollment laws allow families choice within the public school system, dependent on available space in the selected school. Intradistrict choice allows families to enroll their children at a district school other than that to which the student was assigned. Interdistrict choice allows parents to enroll their children in any public school within the state. Inter- and intradistrict choice can either be mandatory, requiring districts to participate given available space, or voluntary, allowing districts to choose whether to participate. Twenty-eight states and Puerto Rico have open enrollment laws.

Homeschooling

Although subject to varying state regulations, in every state families have the option to school their children at home. In the last several years, the number of children participating in homeschooling has increased. In the 1997-1998 school year, approximately one million children were schooled at home.

Magnet Schools

Magnet schools are public schools offering distinctive programs, such as an emphasis on math/science education, technology, visual and performing arts, foreign language immersion, etc. There are also magnet programs housed within certain public schools. Magnet schools and magnet programs offer choice to families who desire such specialized programs for their children.

Private Vouchers

Private vouchers are payments made by a private organization to a parent/guardian or to a school on a parent/guardian's behalf to cover the costs of a child's education expenses. Numerous privately funded voucher programs operate in many cities across the nation. The majority are quite small, though notable exceptions are the School Choice Scholarship Program operating in New York City and the Children's Educational Opportunity (CEO) Horizon Program in San Antonio.

The Horizon Program is affiliated with CEO America Foundation, an organization aiding approximately 40 privately funded voucher programs throughout the country. Between the 1992-93 and 1998-99 school years, CEO America helped raise over $61 million to provide roughly 13,000 students with private school vouchers. Also noteworthy is the Children's Scholarship Fund (CSF) created in 1998 by Theodore Forstmann and Walmart heir John Walton. CSF has pledged $130 million to provide scholarships ranging from $600 to $1,600 to 40,000 low-income students across the nation.

Postsecondary Enrollment

Postsecondary enrollment programs allow high school students to enroll in postsecondary courses and receive course credit at their high schools, postsecondary institutions, or both. Twenty-one states offer postsecondary enrollment options.

Tax Credits/Deductions

Many states, including Arizona, Illinois, Iowa, and Minnesota, plus Puerto Rico, are using tax credits and deductions as a means of furthering school choice options. By allowing a tax credit or deduction for educational expenses, the state offers families the opportunity to recoup money spent on private education. In some states, the credit or deduction can be a means of recovering direct spending on such things as textbooks, lab fees, transportation, academic summer camps, summer school, computer hardware, and educational software — as well as tuition.

However, because tax credits and deductions apply only after money has been spent, and are typically not applicable except to reduce the amount of tax owed, they disadvantage families with limited access to capital or with low incomes. (Minnesota has a refundable tax credit for families with incomes under $33,500; however this credit can only be used for education-related expenses, such as textbooks, and cannot be used for tuition costs.)

A number of the tax credit and deduction programs have been challenged in court. Most recently, Arizona's tax credit law has been the subject of litigation. In Arizona, individuals can receive a tax credit of up to $500 for making a charitable contribution to a "school tuition organization" that provides scholarships to private schools, including religious schools. In *Kotterman v. Killian* (January 1999), the Arizona Supreme Court ruled that the tax credit does not violate the U.S. Constitution's prohibition against government establishment of religion or the Arizona constitution's religion clauses. The ruling has been appealed to the U.S. Supreme Court, which has not yet decided whether to review it.

(Trends and Implications continued)

regulate and monitor student admissions decisions, tuition levels, management of school finances, compliance with civil rights guarantees, and student performance.

The cultural role of schooling

Finally, in considering vouchers, a philosophical question about the role of shared versus diverse culture presents itself: In our increasingly diverse society, do we strive to provide greater access to varied means of schooling and school cultures, or should schools be the locus for building commonality and community across differences? Constructed somewhat differently the question might read: Should we invest in a public school system publicly controlled and built upon the values of democracy or attempt to provide opportunities for all families to send their children to schools of their own choosing? Can and should we do both? If we can not afford to do both, where should we place our resources?

On the horizon

With the increase in voucher challenges and conflicting state and federal rulings, the Supreme Court is likely to become more willing to hear a voucher case. In fact, the recent Florida legislation may generate a good test case, but it will take time for such a case to reach the Supreme Court. Until this happens and the Supreme Court rules on the constitutionality of school vouchers, legislation and ballot initiatives promoting publicly funded voucher programs will continue to be introduced in many states.

Legislation: In states such as Pennsylvania and New Mexico, governors are placing strong pressure on their legislatures to pass voucher bills. In both these states, as well as in Arizona and Texas where vouchers

PRESSURE WILL CONTINUE TO GROW FOR A SUPREME COURT TEST OF THE LEGALITY OF VOUCHERS PROGRAMS

have the support of key politicians, publicly funded voucher programs are likely to be a large topic of debate in the upcoming legislative session. In several other states, such as New York, New Jersey, and Louisiana, voucher debates are continuing to evolve.

Ballot initiatives: Though a California voucher ballot initiative was soundly defeated in 1993, a new initiative sponsored by Silicon Valley venture capitalist Tim Draper is being planned for the year 2000. As is typical with controversial initiatives in California, the proposed ballot measure is likely to attract national attention. Other states, such as Michigan, where Amway President Dick De Vos is supporting a pro-voucher coalition, may also see voucher initiatives on the 2000 ballot.

Federal legislation: At the federal level, proposals to make Title I funds portable, and thereby accompany each Title I student to whatever public or private school he or she chooses to attend, may be attached to one of the House Elementary and Secondary Education Act reauthorization bills. Certain members of the Senate are also considering such proposals. However, President Clinton is certain to veto any legislation containing such a provision.

Presidential race: Vouchers are sure to be an important issue for debate in the upcoming presidential race. In a recent speech, Governor George Bush proposed withdrawing federal Title I funds from schools deemed to be "failing" and providing students at those schools with a voucher worth up to $1,500 which they could use to attend another public school or a private school of their choosing. Many Congressional and gubernatorial campaigns are certain to highlight the voucher issue as well.

In sum, the voucher story continues to unfold on several fronts. More research will aid policymakers in understanding whether, under what conditions, and for which populations vouchers might work, as well as how differently structured programs may affect the education system as a whole. At the same time, development and evaluation of alternative choice programs, along with legal challenges, court rulings, and the success or defeat of ballot initiatives, will influence the proliferation of voucher plans. In the months and years ahead, WestEd will continue to report on voucher programs and their impact on all children.

Endnotes

1 The studies generally draw their findings from family incomes as reported to the program. However, disputes have arisen over the accuracy of family income statements. In Ohio, State Auditor Jim Petro found that income statements were often incomplete and over 30 of the 3,750 families that participated in the program had incomes between $50,500 and $90,000.

2 Peterson states the following reasons for reporting test results for only these two schools: HOPE schools were the only schools formed in response to the implementation of the voucher program and thus may provide information on schools that develop in response to the introduction of a school choice program; HOPE schools stated that they would accept all who applied to the schools, and as a result many of the poorest and most educationally disadvantaged students enrolled, making an examination of test scores from these schools a "hard test case" of the program as a whole; initial enrollment at the HOPE schools constituted roughly 15% of the total initial enrollment in the voucher program, and roughly 25% of the initial group of students who had previously attended public schools; only the HOPE schools tested their students in both the fall and the spring.

3 Whether these improvements are statistically significant has been questioned.

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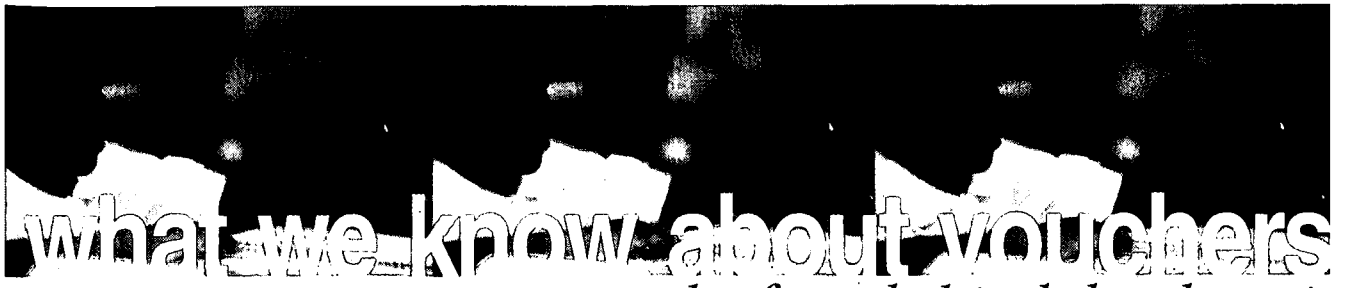
Principal research and preparation of this document was the responsibility of **Erica Adelsheimer**, of WestEd's Policy Program, with **Kate Rix,** of WestEd's Communications Program. Ms. Adelsheimer can be reached at 202/467-0652.

Graphic designer of the publication was **Christian Holden**. Important contributions to the development of the document were made by **Kyo Yamashiro**, **Randy Weiner,** and **Gloria Corral**. Appreciation is offered for the considerable time and helpful advice of a number of reviewers, both internal and external to WestEd.

WestEd chief executive officer is **Glen Harvey**; director of WestEd's Office of Policy & Communications is **Max McConkey**. The Policy Program's interim director is **Stanley Chow.**



what we know about vouchers

the facts behind the rhetoric

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This publication was produced in whole or in part with funds from the Office of Educational Research & Improvement, U.S. Department of Education, under contract #RJ96006901.

THIS POLICY BACKGROUNDER ADDRESSES SUCH QUESTIONS AS:

- Is there conclusive research that vouchers are effective?
- What are the voucher proponents' and opponents' core arguments?
- Are there alternatives to vouchers?
- What is the status of six publicly funded voucher programs?
- What issues should policymakers consider when making decisions regarding voucher programs?

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