

Creating Alternatives

Case Study: Vouchers

There Are Many Misperceptions Around Vouchers That Lead Many to Conclude That They Are a Bad Idea

Facts:

- Voucher programs have a long and successful history in this country
- Nearly every study of vouchers shows that they benefit students who take advantage of them
- Studies show that public schools respond to the competition and thus even the students “left behind” benefit from them
- Vouchers are enormously popular with students and parents

Overview of Vouchers

- School vouchers redirect the flow of education funding, channeling it directly to individual families rather than to school districts. This allows families to select the public or private schools of their choice and have all or part of the tuition paid
- Vouchers can be funded and administered by the government, by private organizations, or by some combination of both
- Most voucher programs are carefully targeted at disadvantaged students
 - Disabled, low income and/or attend chronically failing schools

Voucher-Like Programs Have a Long and Successful History

Federal-Level Examples: Pell Grants and G.I. Bill

- Pell Grants
 - Federally funded grants (not loans) help about 5.3 million full- and part-time college and vocational school students
 - Currently up to \$4,050/year (average: \$2,230), based on need and other factors
 - Most Pell awards go to students with family incomes below \$20,000
- The G.I. Bill
 - Signed into law in 1944, it allowed returning veterans to use publicly funded vouchers to pay for education and training at the institution of their choice, religious or secular, public or private
 - Colleges expanded hugely; had awarded degrees to 160,000 graduates in 1940, but were teaching 2,328,000 students in 1947 as 2 million returning G.I.s chose to pursue higher education
 - Opened higher education to all – including those who previously had been discriminated against. Quotas restricting admission of Jews and Catholics disappeared as schools were swamped with veterans. Previously all-white colleges admitted African-Americans. In fact, one-third of veterans at college between 1946 and 1950 were black and many went on to become leaders in the civil rights movement

Voucher-Like Programs Have a Long and Successful History (2)

State-Level Examples: Maine and Vermont “Town Tuitioning”

- Maine and Vermont Town Tuitioning

- “Under a system that is well over a century old, many small towns in Maine and Vermont do not maintain their own high schools, and some do not even maintain elementary schools. These towns instead “tuition” their students to schools in other locations. That is, they raise education funding through local taxes and use it to pay for students to attend either public or private schools nearby. In some cases the town designates a school to which all its students go, often because it is the only school nearby. However, in most cases parents may send their children to any qualifying school, public or private (not including religious schools). All students living in towns that do not maintain schools in their grade level are eligible.” More than 6,000 students in Maine (55% of those eligible) and nearly 4,500 (43%) in Vermont use these vouchers to attend private schools, some even out of state.

School Voucher Programs Are in Effect in Only a Few Areas

SCHOOL VOUCHER PROGRAMS

PROGRAM

Milwaukee vouchers
Maine and Vermont town tuitioning
Florida McKay vouchers
Cleveland vouchers
Ohio autism vouchers
Florida A+ vouchers
Washington D.C. vouchers

TAX CREDIT SCHOLARSHIP PROGRAMS

PROGRAM

Arizona tax-funded scholarships
Florida tax-funded scholarships
Pennsylvania tax-funded scholarships

TAX CREDITS AND DEDUCTIONS

PROGRAM

Illinois personal tax credit
Iowa personal tax credit
Minnesota personal tax deduction and credit

Special Education Students Who Received Vouchers Are Far More Satisfied With the Private Schools They Transferred To, As Are Their Parents

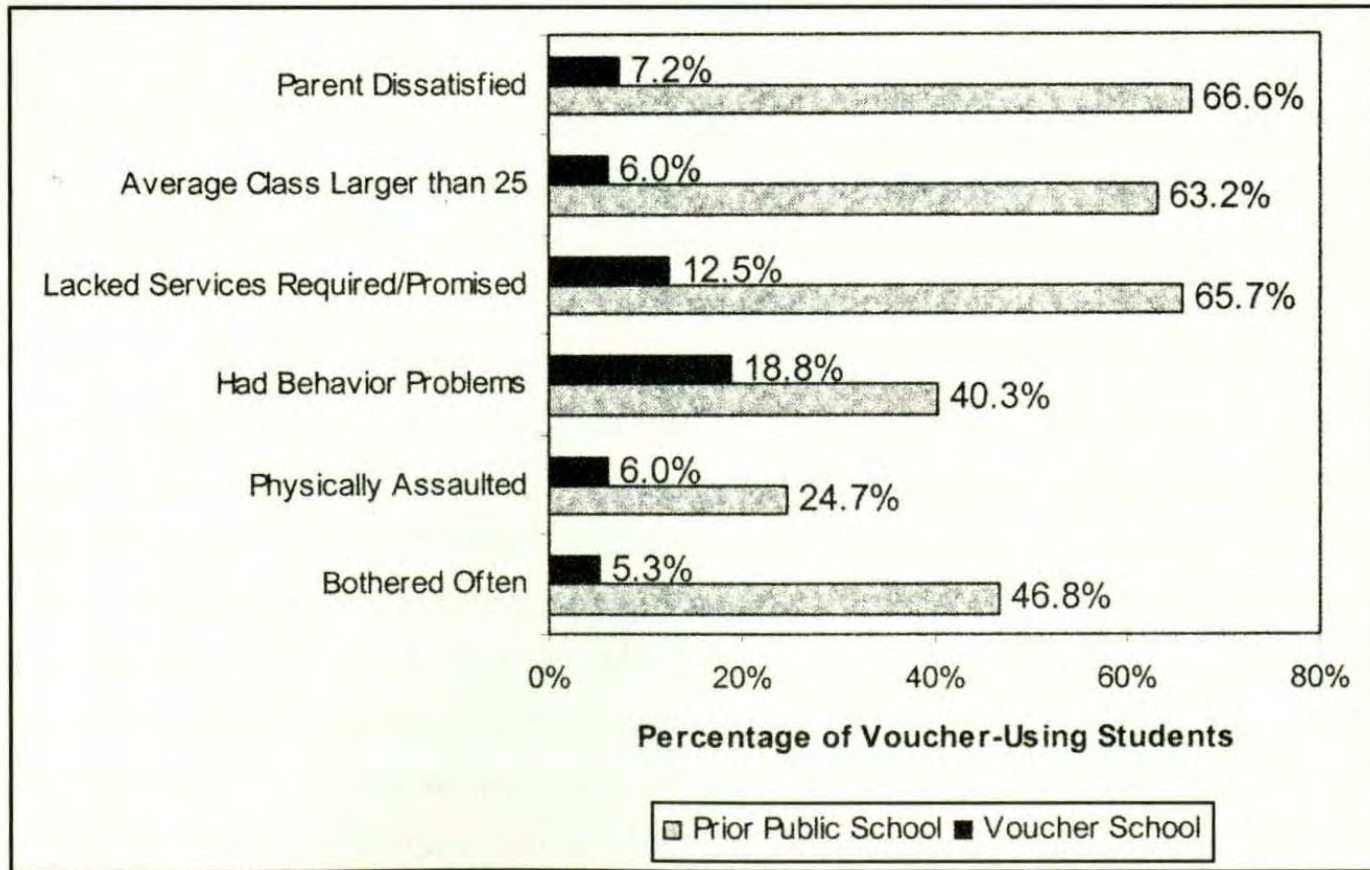


Figure 16.1. Private Schools Serve Disabled Students Better

Source: Greene and Forster, "Vouchers for Special Education Students," Manhattan Institute.

Vouchers Have Been Very Successful in the Few Places They've Been Tried

Contrary to Opponents' Claims, the Data on Vouchers is *Not* Inconclusive

In addition to extremely high rates of parental satisfaction and evidence that affected public schools are spurred to improve, the students who receive vouchers do better in every case:

Table 13.1. Statistically Significant Findings on Voucher Effects

<i>City</i>	<i>Voucher Effect</i>	<i>Subject</i>	<i>Time in Program</i>
Milwaukee	6 percentile point gain	Reading	Four years
	11 percentile point gain	Math	Four years
	8 percentile point gain	Math	Four years
Charlotte	6 percentile point gain	Combined	One year
Dayton	6.5 percentile point gain	Combined	Two years
New York City	9.2 percentile point gain	Combined	Three years
	4.7 percentile point gain	Math	One year
Washington, D.C.	9.2 percentile point gain	Combined	Two years

But What About the Recent Study That (Supposedly) Showed That Public School Students Do Just As Well As Those At Private Schools?

It Was Treated As a Public-School Triumph That “Casts Doubt on the Value of Voucher Programs,” As The Wall Street Journal Described It

- “If anything, the report from the Education Department did just the opposite. It concluded, after compensating for socioeconomic differences and other factors, that public-school students score slightly better on tests in fourth grade, while private-school students score slightly better in eighth grade. Given a choice, would you rather be ahead in the fourth inning or later in the game?”
- “According to federal surveys, the typical private school’s tuition is only about half what a public school spends per pupil... General Motors would not celebrate the news that its \$40,000 Cadillac performed almost as well as a \$20,000 Honda.”
- “The most scientific way to compare schools is with the kind of randomized experiment that has been conducted in New York, Dayton and Washington. In these cities, students from low-income families were given a chance to apply for school vouchers. After the vouchers were awarded by lottery, researchers tracked the voucher students in private schools and compared them with a control group: the losers of the lottery who remained in public school.

After three years, the white and Hispanic voucher students were doing as well as their counterparts in public school, and the African-American voucher students were testing a full grade level higher than the blacks in the control group. The parents of all the voucher students — white, Hispanic and African-American — reported that there was much less fighting, cheating, vandalism and absenteeism in their schools than did the public-school parents.

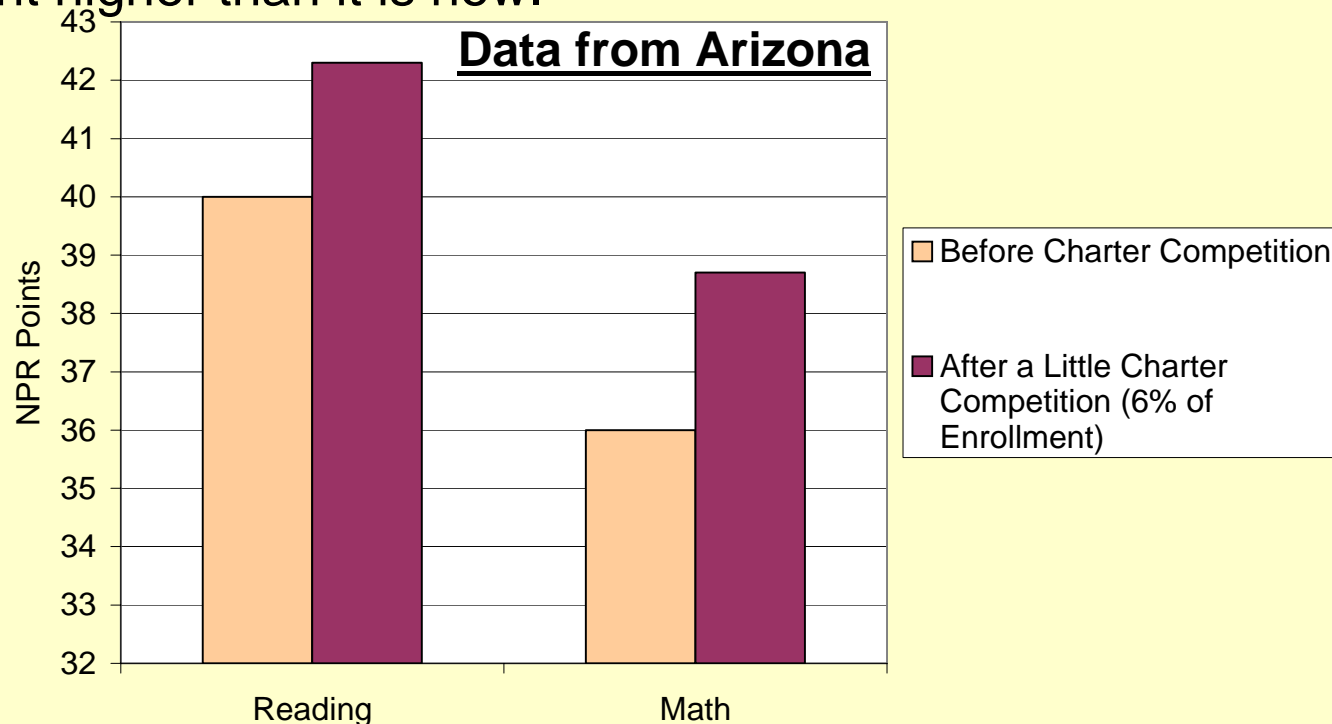
Even though the private schools spent less money per pupil than the public schools, the parents were much more satisfied with them. Happier parents, better students, lower costs — those are the clear advantages of private schools and voucher programs.”

Case Study: Milwaukee's Highly Successful Voucher Program

- The oldest voucher program in the nation, launched in 1990
- More than 15,000 students, equal to 15% of the city's students, attend 125 schools, 70% of them religious
- Families/students have an abundance of choice, the main elements of which are: 1) there is open enrollment within the public school system, meaning students can apply to schools in any district with open seats; 2) for low-income families there's the voucher program; and 3) charter schools.
- Due to political wrangling, there hasn't been a study since 1995 of how the voucher students are doing, but high school graduation rates are much higher (64% vs. 36%) and parental satisfaction is extremely high
- Highly successful for *both* the voucher students *and* the students in Milwaukee public schools
 - Two studies showed that as the program expanded, there was a marked improvement in test scores at the public schools most affected by the program (those with low-income students eligible for the vouchers)
 - In 13 of 15 categories, public school student scores on state standardized test increased between 1997 and 2005
 - The dropout rate declined from 16.2% to 10.2%
 - The program saves money: Public schools spend more than \$10,000/student; private schools get less than \$6,400/voucher student
 - Far from draining money from the public schools, per pupil spending, inflation adjustment, has *risen* 27% from \$8,888 in 1990 to \$11,317 in 2005

There Is Substantial Evidence That Public Schools Do Respond When Alternatives Are Offered Whether From Other Districts, Charter Schools and/or Vouchers

- Harvard University economist Caroline Hoxby found that competition sparked improvement in neighboring public schools in Arizona, Michigan, and Milwaukee and concluded: "If every school in the nation were to face a high level of competition both from other districts and from private schools, the productivity of America's schools, in terms of students' level of learning at a given level of spending, would be 28 percent higher than it is now."



There Is Substantial Evidence That Public Schools Do Respond When Alternatives Are Offered (2)

- A study in North Carolina, which created charter schools in 1996, compared public schools that faced competition from charter schools and those that didn't. It concluded:
 - “These comparisons provide consistent evidence that charter-school competition raises the performance composite of traditional public schools by about 1 percent. This represents more than one-half of the average achievement gain of 1.7 percent made by public schools statewide between 1998–99 and 1999–2000 and is, from a policy perspective, nontrivial.”
- The Washington (DC) Teachers' Union recently reversed long-standing positions and agreed to allow teachers to earn bonuses tied to student performance and to opt out of some union work rules
 - According to an article in the Washington Post:

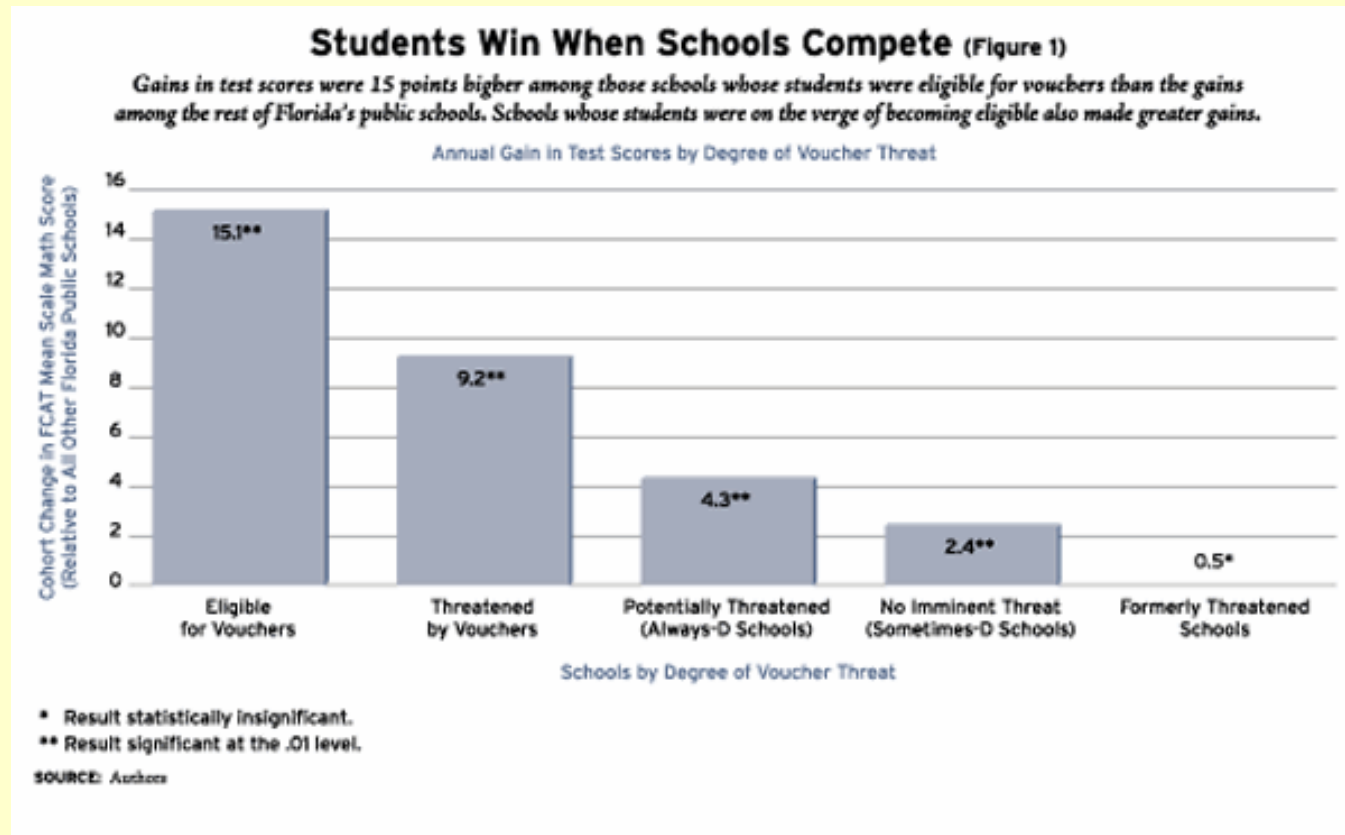
Union President George Parker said the changes are needed so that the District's traditional public schools can compete more successfully with the public charter schools, which have lured away thousands of students.

"The landscape has changed. Our parents are voting with their feet," Parker said. "As kids continue leaving the system, we will lose teachers. Our very survival depends on having kids in D.C. schools so we'll have teachers to represent."

Fifty-one charter schools are operating in the city. In five years, charter school enrollment has grown by 7,000 students, to 17,500. During the same period, enrollment in the D.C. school system has dropped by about 10,000 students, to 58,000.

There Is Substantial Evidence That Public Schools Do Respond When Alternatives Are Offered (3)

- In Milwaukee, two studies showed that as the voucher program expanded, there was a marked improvement in test scores at the public schools most affected by the program (those with low-income students eligible for the vouchers)
- In Florida's A+ program, which offers vouchers to all students at chronically failing schools, students at schools faced with the threat – or reality – of losing students to vouchers improved the most



Note: The results were similar using Stanford-9 test results

Source: [Competition Passes the Test](#), Greene, Winters, Education Next, Summer 2004