

School Vouchers

We noted at several points in the main body of this web site that primary and secondary education is mostly a state and local government function and therefore should probably not be covered in work focused on federal policy initiatives. However, during most of the time period of this study public policy for education has been a matter of national debate. It is a rare year that does not include congressional hearings or presidential speeches devoted to education at least in part.

In Chapter V we paid considerable attention to charter schools, a type of public school that is somewhat independent of the bureaucracy under which regular public schools operate. In particular, charters are relatively free to offer curricula of their own choosing.

Many states also operate programs that fund or help to fund private school tuition and other expenses associated with attending private schools (EdChoice 2017). Private school assistance programs are often called vouchers or education savings accounts (ESAs). There is little difference between them.

Charter schools appear to be the subjects of more rigorous independent analyses than other school choice options such as vouchers and ESAs. This is partly because many voucher and ESA programs are so new that there has not been sufficient data to analyze and because the structures of many charter school programs lend themselves to rigorous research designs while private schools vary in many ways and come with privacy restrictions that prevent researchers from gathering data fully. Since we devoted so much attention to charter schools in Chapter V, we concentrate on vouchers here, reviewing all of the most recent studies we could find.

Ohio

In 2005 the Ohio legislature enacted the Educational Choice Scholarship Program (EdChoice), a voucher program for primary and secondary students. In 2016 David Figlio, a Northwestern University faculty member, and Krzysztof Karbownik, a Northwestern postdoctoral research fellow, examined EdChoice's impact in the academic years 2003-04 through 2012-13. We are drawing on their work. Initially, the

program provided scholarships for students in Ohio's worst schools as judged by the Ohio Department of Education. Later, students from somewhat better schools were made eligible for the scholarships. In 2013-14, as part of a program called EdChoice Expansion, disadvantaged kindergartners from all schools were authorized to receive scholarships, and each year the program is to be expanded by one grade level.

By 2017 an estimated 30,000 students had been admitted to private schools with vouchers (O'Donnell 2017). This is a little under two percent of Ohio's regular public school students. As of this writing (2017), the State of Ohio capped the number of students allowed to participate at 60,000. To be part of this program a private school must adhere to state operating standards posted in the state Department of Education web site, a common and probably universal requirement among the states.

Figlio and Karbownik (2016) focused on a number of common educational policy questions the most important of which was the effect on mathematics and reading performance of attending private schools under the program. Academic performance was measured by a standardized test called Ohio Achievement Assessments. Figlio and Karbownik examined only the original form of EdChoice. What follows is a highly condensed and simplified version of their research supplemented by two newspaper accounts.

The fundamental research design problem with evaluations of all forms of school choice including private school vouchers, ESAs, charter schools, and home schooling is how regular public schools can be compared to whatever alternative is being examined which means comparing the standardized test performance of students who remain in public schools and those who exercise choice. One complication is that those who transfer to private schools under EdChoice have higher standardized test scores before taking any private school classes than those who stay in public schools (Figlio and Krzysztof 2016, 10). So, private schools enjoy a statistical advantage in likely test results just from this factor even if the private schools are no better than the public schools from which students transferred.

We saw in our discussion of charter schools in Chapter V that when there is a shortage of charter school slots and a lottery determines who is allowed admission, comparisons of those admitted to charter schools and others obliged to remain in regular public schools are relatively straightforward methodologically speaking. However, EdChoice does not include a lottery. So, Figlio and Krzysztof used propensity score matching by which they compared along several characteristics those remaining in public schools and those admitted to private schools (p. 27). The authors examined student test score differences between similar groups of students in the academic years 2005-06 and 2007-08. Broadly speaking, they found that the impacts of EdChoice on student test results are either zero or positive depending on the assumptions built into the analyses (pp. 25, 32). However, a result showing better private school test scores is not necessarily a matter of private schools being superior to public schools. The authors found that *eligibility* for EdChoice was correlated with improved test scores as suggested above. The authors speculate that this is due to public schools responding to competition from the EdChoice program. Among other things, the public schools may want to avoid losing students (and therefore funds) to the program (p. 39). As we saw in Chapter V, conservatives have long argued that choice encourages competition between regular public schools and charters or private options, and this effect may be an example. Another factor driving this result may be that because students must be admitted to private schools before applying for vouchers, EdChoice attracts relatively high-scoring students with motivated parents (p. 39).

Oddly, even though eligibility for EdChoice is beneficial, those attending private schools via EdChoice do worse than they would have remaining in public schools (as predicted by statistical models) (p. 39). Figlio and Krzysztof (2016, 7) find: “it appears that EdChoice has benefitted the majority of students, but the students who actually left the public schools—at least those on the margin of eligibility—perform worse on statewide tests.” This result demonstrates that formulating public policy in this field is not easy, and it also shows that parents trying to decide between keeping their children in a regular public school or transferring them to one of several private schools must perform

considerable research. Of course, academic performance is not the only consideration in deciding on a private school. In many cases parents may want particular cultural or religious features unavailable in public schools.

The finding that EdChoice students in private schools tend not to perform as well as others with similar characteristics remaining in public schools caught the attention of journalists. Perhaps private school students were not scoring as well on the Ohio standardized test because the private schools were of relatively poor quality. Neither the private schools nor the State of Ohio gathered or published data allowing this question to be explored by independent researchers. According to *Columbus Dispatch* reporters Shannon Gilchrist and Bill Bush (2016), unlike Ohio's public schools, the state's 474 private schools that accept vouchers are not the subjects of state evaluations (called "report cards"), and they are obliged to provide test scores only of voucher students. (This distinction in reporting test results is common in other states.) According to Gilchrist and Bush (2016), voucher student test results are located in the Ohio Department of Education's website separate from regular public school and charter school scores and in a format less user-friendly. In April 2017 we confirmed their description. The data are presented one school at a time in a manner that makes meaningful analysis all but impossible, but we found that data for regular public schools were almost as badly organized. It would not require an especially suspicious turn of mind to conclude that neither the State of Ohio nor private schools want objective comparisons made among public and various types of private schools.

Indiana

Indiana's voucher program is newer than Ohio's, having begun in 2012. The two are similar even in number of participants. By the academic year 2016-2017 Indiana had a little over 34,000.

In 2015 R. Joseph Waddington and Mark Berends of the University of Notre Dame presented a paper reporting preliminary findings regarding Indiana's voucher program at a meeting of the Association for Public Policy Analysis and Management. They also wrote a paper entitled

“School choice in Indianapolis: Effects of charter, magnet, private, and traditional public schools,” which has been accepted for publication in the journal *Education Finance and Policy*. We were unable to obtain a copy of either one, and we are not confident about these dates, titles, or the order in which the authors are listed, but in 2016 Steve Hinnefeld presented a summary of the Indianapolis paper on the website inschoolmatters.wordpress.com.

As is the case in Ohio, Indianapolis students who transfer from a regular public school to a private one: “tend to fall behind academically in the year after they transfer...” (Hinnefeld 2016) As reported by Hinnefeld, Waddington and Berends speculate that: “students who transfer tend to be low-achieving, and it may take time to catch up with higher-achieving classmates.” (Hinnefeld 2016) Hinnefeld does not address the subject of the quality of private (or public) schools.

Louisiana

Louisiana offers three voucher (“scholarship”) programs. By far the largest, the Louisiana Scholarship Program (LSP), is intended for low-income families. According to the Louisiana Department of Education website (www.louisianabelieves.com), in the academic year 2016-2017 this program had 11,000 applicants of whom 6,900 were accepted by a private school. In addition to family income requirements, applicants must be entering kindergarten or be students in public schools with Louisiana Department of Education ratings of C, D, or F. Another program, begun in 2011, is intended for students with disabilities. In the academic year 2015-2016 this program had only 342 participants. We will not cover it nor the even smaller third one.

The Louisiana Department of Education publishes academic scores for schools that accept vouchers that allow parents to make only relatively uninformed decisions about where their children should be sent. Schools report only results for voucher students, and because of privacy, scores for schools with small numbers of voucher students are not reported. A perfect score is 150 points. According to reporter Danielle Dreilinger (2017): “Thirty percent of the schools big enough to be counted earned less than 50 points, the equivalent of an F.” These schools enrolled 15

percent of the 2016 voucher students. Oddly, Dreilinger did not report on the remaining private schools with higher scores.

In 2015 Atila Abdulkadiroglu, Parag Pathak, and Christopher Walters published an evaluation of the LSP for 2012, the first year that it expanded statewide (Abdulkadiroglu, Pathak, & Walters 2015, 5). And in 2016 Jonathan N. Mills, Anna J. Egalite, and Patrick J. Wolf published another evaluation of the LSP for 2011-2012, the first two years of its operation. As is often the case with charters but not usually with private schools, LSP vouchers were allocated randomly at schools with more applicants than available positions, allowing both groups of researchers to objectively compare student performance at regular public schools and private schools.

One set of authors found that LSP participation “substantially reduces” math and reading scores and the other found negative results in math and statistically uncertain results for reading (Mills, Egalite, and Wolf 2016, 4). LSP participation also tends to hurt science and social studies scores (Abdulkadiroglu, Pathak, & Walters 2015, 3). Specifically: “LSP participation shifts the distribution of scores downward in all four subjects, increasing the likelihood of a failing score by between 24 and 50 percent. These impacts are similar across family income levels and geographic locations.” (Abdulkadiroglu, Pathak, & Walters 2015, 3)

Using telephone interviews Mills, Egalite, and Wolf tried to examine the LSP’s impact on noncognitive skills or character traits such as self-control and conscientiousness. They found no statistically significant relationships.

Washington, D.C.

The Opportunity Scholarship Program (OSP) was created by the District of Columbia School Choice Incentive Act of 2003. It began operating in 2004. Under this program scholarships were given to cover tuition, school fees, and transportation. To be eligible a student’s family income had to be at or below 185 percent of the federal poverty line, and priority was given to students attending public schools designated as in need of improvement (SINI) under the No Child Left Behind Act. OSP

was not included in President Obama's FY 2013 budget and went out of existence in 2016.

Unlike many scholarship or voucher programs but like Louisiana's, the Washington, D.C. program was oversubscribed in the years 2004-2005, giving researchers a convenient opportunity to create a rigorous research design with applicants randomly assigned to receive a scholarship and others randomly assigned to not receive a scholarship (Wolf, Gutmann, Puma, Rizzo, Eissa 2007, vii). This was not a perfectly clean division since not every student receiving a scholarship went on to attend a private school, and some not receiving a scholarship found other ways to enter private schools, but it was enough for solid statistical analysis. There were no significant differences among the public schools attended by those who received and did not receive a scholarship.

The private and public schools attended by the treatment and control groups were similar in that they offered: "libraries, gyms, special programs for advanced learners, individual tutors, art programs, and after-school programs." (Wolf, Gutmann, Puma, Rizzo, Eissa 2007, ix) These private and public schools differed in that the private schools were more likely to have a computer lab or music program (p. ix). The private schools were less likely to have a cafeteria, nurse, counselors, programs for non-English speakers, or programs for students with learning disabilities (p. ix).

The program produced few statistically significant differences in math or reading scores (Wolf, Gutmann, Puma, Rizzo, Eissa 2007, x). But it may have improved math scores of: "participating students who had not attended a SINI school by 4.7 scale score points and increased the math scores of those with relatively higher test score performance at baseline by 4.3 scale score points. However, these findings should be interpreted with caution, as adjustments for multiple comparisons suggested they may be false discoveries." (p. x)

Parents of program participants believed that the private schools were less physically dangerous than public schools, but students who attended private schools and remained in public schools did not differ to a statistically significant degree in their reports of dangerous incidents.

Patrick Wolf and some of his coauthors (Gutmann, Puma, Kisida, Rizzo, Elissa, & Carr) produced a follow-up final report in 2010. The authors stayed with the main conclusion of the 2007 study that: “There is no conclusive evidence that the OSP affected student achievement.” (p. v) Also, as was the case with the 2007 findings, parents regarded the private schools as safer than public schools even though students rated the two as no different in terms of safety. Probably the most important finding in the 2010 study not present in 2007 was that the OSP: “significantly improved students’ chances of graduating from high school.” (p. vi)

North Carolina

The North Carolina Opportunity Scholarship program began in 2014. It provides vouchers to students from low-income families. Vouchers can be used to pay tuition, transportation, and other expenses. In 2016-2017 there were 5,515 participants attending 437 schools (www.edchoice.org). The approximate value of vouchers is \$4,386 which is just over half of per pupil spending in regular public schools. In 2014 North Carolina also initiated the Special Education Scholarship Grants for Children with Disabilities. This program had 957 students in 2016-2017 with an approximate voucher value of \$5,380. As with the states discussed above, North Carolina’s private school data reporting requirements do not allow rigorous public-private comparisons. Schools with more than 25 scholarship students must administer a nationally recognized standardized examination covering grammar, reading, spelling, and math and submit a report on average student scores. These data are not posted, but they are released to anyone on request.

The reader has probably noted the relatively low dollar value of vouchers in the locations discussed so far. Reporter Ann Doss Helms (2016) writing in the *Charlotte Observer* observed that tuition for the best North Carolina secular private schools costs roughly \$20,000 per year. These institutions are also “highly selective” and have no voucher students (Helms 2016). Some apply, but they do not meet admission criteria. According to Helms, religious schools attract most of the voucher students. Example tuition amounts from \$3,700 to \$4,000 a

year, so for them vouchers cover most or all expenses.

In 2017 the Children's Law Clinic of the Duke Law School released a study of the first three years of the North Carolina voucher program. It was based on what the study described as: "limited and early data." Once more, the data constraints are the product of privacy restrictions and state government policy. Through no fault of the authors, this study supplies only scraps of information. However, it is revealing that private schools in North Carolina: "need not be accredited, adhere to state curricular or graduation standards, employ licensed teachers, or administer state End-of-Grade tests." (p. 1) As we saw above, private schools with more than 25 scholarship students must administer standardized tests once a year, but the results need not be broken down by any category of students including grade (p. 10). So, student scores for the entire school may be reported as a single average perhaps broken down by subject matter (e.g., reading and math). In addition, data include the percentage of test takers scoring above and below the 50th percentile. According to the report: "For the 2014-15 school year, just six schools reported aggregate data, reporting results for 172 test takers. (This represents less than one percent of the participating schools and 14 percent of all students with vouchers.) There is no data on grade level, except that all test takers were in the third grade or above. Overall, in the aggregate, the majority scored below the national average on the tests." (Children's Law Clinic 2017, 11) The report makes clear that the fragments of data coming from the private schools do not allow test result comparisons between voucher students and regular public school students (p. 12).

New York City

Alan B. Krueger and Pei Zhu (2002) examine the New York City school choice program which they characterize as: "the largest and best implemented private school scholarship experiment yet conducted." (Abstract, no page number) As they describe the experiment: "low income public school students in grades K-4 were eligible to participate in a series of lotteries for a private school scholarship in May 1997. Data were collected from students and their parents at baseline, and in the Spring of each of the next three years." (Abstract, no page number) This

experiment spanned Dayton, Ohio, one school district in San Antonio, Texas, and Washington, D.C. as well as New York. We describe a more recent and comprehensive study below.

The scholarships were worth a maximum of \$1,400 per year. This appears to be a low figure that might have discouraged some parents from participating. William G. Howell, Paul E. Peterson, with Patrick J. Wolf and David E. Campbell (2006, 34), noted that average private school tuition in three cities including New York ranged from \$2,100-\$3,100 with vouchers ranging from \$1,200-\$1,800 meaning that parents would usually be obliged to pay the balance. Krueger and Zhu do not discuss this aspect of the project, but despite the relatively small scholarship value, the experiment was oversubscribed and recipients were selected by lottery. However, approximately 25 percent of those offered scholarships did not use them (p. 2).

When the experiment began students were given the Iowa Test of Basic Skills (ITBS) and in the spring for the next three years. Krueger and Zhu make the peculiar point that they focus more on: “intent-to-treat estimates; that is, the impact of offering students a voucher on their test performance, as opposed to the effect of *attending private school* on test performance [*italics in original*].” (p. 5) They continue: “We focus on intent-to-treat estimates because offering a voucher—as opposed to compelling students to switch to a private school—is the policy decision that is most relevant, and because there is a cleaner statistical interpretation of the intent-to-treat estimates in this case. Nevertheless, the effect of attending a private school for varying lengths of time is also of interest.” (p. 5) We have already seen that what Krueger and Zhu call intent-to-treat often has greater impact on standardized test scores than attending a private school, but surely the impact of actually participating in private schools is more important than what might be a transitory effect of being offered a voucher. Also, we do not understand the authors’ use of the word “compelling” in the phrase “compelling students to switch to private school...”

**New York City, Dayton, Washington, D.C.,
and San Antonio**

William Howell and Paul E. Peterson (with Patrick J. Wolf & David E. Campbell) (2006, 34) concentrate on urban voucher experiments that are part of the Children's Scholarship Fund. The ones for which they were able to find the most information are in Dayton, Ohio, New York City, Washington, D.C., and the Edgewood school district of San Antonio, Texas. All four used lotteries awarding vouchers ranging from \$2,100-\$3,100. As we have already seen, lotteries facilitate rigorous research designs comparing students who randomly receive vouchers and those who do not (p. 39).

Howell, Peterson, Wolf, and Campbell address the common criticism that vouchers skim the best students from regular public schools, artificially enhancing the performance of private schools and leaving the public schools with relatively inferior students. This argument is usually invalid largely because voucher amounts are not sufficiently high to attract outstanding students who would be attending the best private institutions (with high entrance standards and tuition several times the amounts awarded in vouchers). They write: "applicants to voucher programs do not differ dramatically from a cross-section of the eligible low-income population." (2006, 88) Defacto skimming occurs via housing patterns and income (p. 89) The private schools serving the four jurisdictions examined by Howell, Peterson, Wolf, and Campbell (2006) (and all of the other studies of voucher systems covered here) are mostly religious institutions with relatively low entrance standards and often tuition half that of per student costs of public schools. Skimming might occur with some charters, but not in private schools accepting vouchers.

Howell, Peterson, Wolf, and Campbell (2006) devoted considerable attention to differences between the educational environments offered by public and private schools. For example: "parents of students in private schools reported higher levels of communication with their school than did parents of students in public school." (p. 105) Private schools tended to make better use of newsletters and were more rigorous about informing parents about midterm progress and their childrens' disruptive behavior.

Furthermore, parents more frequently attended school functions perhaps because when they help to pay tuition they have a greater feeling of ownership (p. 105). Also, we suggest that private religious schools might offer a greater sense of community.

Parents generally liked the common private school requirement that students wear uniforms. Howell, Peterson, Wolf, and Campbell (2006, 109) observe that: “no single difference between public and private schools was as large...” Uniforms tend to be less expensive than ordinary clothing, they do not engender peer pressure, and they enhance a sense of professionalism. Disorder including violence, cheating, racial discord, absenteeism, and tardiness were less of a problem in private schools especially among African-American students (pp. 110, 185). The authors also noted that: “on average private schools tended to have smaller classes and their educational climate seemed more conducive to learning.” (p. 185) Also: “Compared with their peers in public schools, private school students were expected to do more homework; to their parents, the homework they were assigned seemed more appropriate” (p. 185)

Importantly, Howell, Peterson, Wolf, and Campbell (2006, 145) found: “the switch to a private school had significantly positive impacts on the test scores of African American students.” However, they also observed: “no significant private school impact on test scores for non-African American students...in any year or city.” (p. 151) This result is very similar to what we describe in Chapter V with charter schools.

Milwaukee, Wisconsin

The Milwaukee Parental Choice Program (MPCP) is a voucher system created in 1990. In 2006 the state government established a requirement that Milwaukee schools allow policy analysts access to data (Wolf, Costrell, Greene, Cheng, DeAngelis, Erickson, Mills, Egalite, Kisida, and Sude, undated). They found that the program increased the likelihood that participants would graduate from high school, gain admission to a university, and remain in a university. However, there was little or no statistically significant relationship between participation in the MPCP and math and reading scores on standardized tests.

Government expenditures on the program were substantially less than per student costs in regular public schools, a finding repeated in all of the other states and localities described above.

Conclusions

Most of the studies summarized here find positive, neutral, and negative aspects to private school vouchers.

Moving a student from a public to a private school does not guarantee academic improvement. Some do better, others worse, and many experience little change.

Like charter schools, private schools serving students supported by vouchers can be especially beneficial to African-Americans, the group most poorly served by regular public schools both academically and socially.

Even when students in private schools are not helped academically compared to how they would be doing in public schools, parents are able to place their children in a learning environment preferable to what they find in public schools. In particular, private schools that accept voucher students are overwhelmingly religious in orientation. In addition, private schools as perceived by parents offer a sense of order and community lacking in many public schools.

As they are currently operated in every jurisdiction described here, vouchers are economical programs. Often, government pays half as much for vouchers as they spend on students attending regular public schools. However, the low cost of vouchers also means that less affluent parents cannot afford to send their children to relatively expensive and academically distinguished schools. Furthermore, many voucher programs are geared to students attending failed public schools. Thus voucher students are typically not prepared to meet elite private school entrance standards. As currently established, voucher programs offer choice but at a relatively low academic level.

An especially disturbing observation that appears repeatedly in these studies is that parents, reporters, and social scientists are prevented by governments and private schools from viewing meaningful standardized test data. Privacy rights are commonly cited, but the impression we have

received is that it is convenient for governments and schools if such information is not made public. A central problem often avoided by governments, private schools, and reporters is that some private schools are academically weak. On the other hand, if private schools are academically strong or even on par with public schools, with costs running half those of public schools, governments and teachers unions may prefer not to explain why. In any event, basic standards of transparency would require the availability of useable standardized test data regarding all kinds of schools.

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