

The future of vouchers as educational reform, political strategy, economic solution, and public policy in the United States

Kathleen Sullivan Brown, Associate Professor, Educational Leadership & Policy Studies,
University of Missouri St. Louis

Abstract

This paper examines the burden of vouchers to be all things to all constituencies. Proponents and opponents envision vouchers as accomplishing many objectives. To some, vouchers represent an educational reform that brings change to public schools and saves children from monopolistic bureaucrats. To others, they signify a threat to the very foundations of democratic schools. Vouchers also symbolize a political strategy that appeals to odd bedfellows, both conservative and liberal. Friedman's original notion of vouchers construed them as an economic solution, a fundamental market technique to introduce competition and increase quality. Finally, vouchers create an illusion of a quick and easy public policy for school reform.

Persistent controversy surrounding vouchers in the U.S. and the difficulty of measuring their impact in policy research stem, in part, from these multiple roles that vouchers play in the minds of adherents and adversaries. Research data, court rulings, media reports, and proposed legislation are used to consider the many ways in which vouchers have evolved into this hydra of public policy. Further, the paper will identify limitations for the usefulness of vouchers in the future of U.S. public education.

Introduction

School vouchers have not been proposed in a vacuum. Those who advocate vouchers, and those who oppose them, do so within a larger context of educational reform. The purpose of this policy research study is to examine that environment, in particular the varying ways in which vouchers are promoted as educational reform, as political strategy, as economic solution, and as public policy. Persistent controversy surrounding vouchers in the U.S. and the difficulty for policy researchers to measure the impact stem, in part, from these multiple roles that vouchers play in the minds of adherents and adversaries. This paper uses research data, court rulings, media reports, and proposed legislation to consider the many ways in which vouchers appear in this debate, demonstrating how the meaning of vouchers has evolved into this hydra of public policy. Further, the paper will identify limitations for the usefulness of vouchers in the future of U.S. public education.

Early Calls for Vouchers as Economic Solution (1950's)

Many sources provide a history of vouchers.¹ Most of them usually begin with the proposal by Milton Friedman² who as an economist definitely viewed vouchers as an economic solution. In those early days, Friedman called for a “modest amount, free vouchers for all.”³ He clearly defined vouchers, and most people accepted his definition of a voucher, as a partial or full tuition credit to offset the costs of private school tuition. When Friedman first proposed vouchers as an economic policy tool, there were no charter schools, as there are today, and no broader “school choice” debate. There were either public schools or private schools. The divisive political issues of the 1960s, the deterioration of the urban core, and other social problems had not become prevalent when Friedman suggested his first voucher proposal. Since that time, public and private schools have become less of an either/or proposition and more of a blurred spectrum, from fully public and inclusive schools, to magnet schools, charter schools, all the way to the other extreme of fully private and exclusive schools for elites. The first point to be made then is that when the economist Milton Friedman first suggested vouchers as an economic solution, he did so in a completely different educational, economic, political, and legal context than exists today.

Vouchers as Educational Reform (1960-1980)

In the 1960s, the war on poverty brought vouchers back on center stage in the policy arena. They emerged this time as an educational reform, though only one among many, to serve the needs of an increasingly diverse student population. When James Coleman⁴ identified the achievement gap between black and white students, vouchers appeared as one potential policy tool. The effective schools research that followed Coleman’s work in the 1970s put forward the

¹ See, e.g., Levin & Belfield, 2003a.

² Milton Friedman, “On the Role of Government in Education” 1955.

³ Friedman, p. .

⁴ James Coleman, Equality and Educational Opportunity, 1966.

notion that private schools did a better job of educating students, especially students coming from disadvantaged backgrounds. Later, in fact, other researchers challenged the conclusions of Coleman's research that identified and defined the gap. These critics observed serious methodological problems in the Coleman study. Educational research has become far more sophisticated since then, and clearly it is very difficult to compare school effects because of the vast number of extraneous and confounding variables that are inevitably involved. More recent research has called into question the basic assumption that private school students outperform public school students when socioeconomic background is controlled.

By the 1980s, the ingredient of global economic competition was added to the educational reform debate. The *Nation at Risk* report of 1983⁵ blamed educational failures for economic troubles and predicted widespread problems if America did not fix its schools immediately. Thus began the constant-acceleration problem, keeping up with the Joneses, in the international world. This has brought about the research and statistical nightmare of today, with international comparisons that pit countries against one another despite their radically different educational agendas and resources. How in this overblown competitive environment does a nation define "achievement," "success" or what it means to be "educated"?

As an educational reform, vouchers have been studied, so how does educational research inform the debate about the effectiveness of vouchers? Educational research has come a long way in methodological sophistication since Friedman's day, and there have been opportunities to study a few voucher programs empirically; unfortunately, there are not many such programs. Despite all the talk of vouchers,⁶ there have only been three public programs to study -- Cleveland, Milwaukee, and Florida -- involving still a relatively small number of students

⁵ *Nation at Risk*, Report of Commission, 1983

⁶ Farrell, Chris "In Praise of Vouchers," *Business Week*, December 4, 2006.

compared to the universe of public school enrollment. Still, there have been significant problems in studying even these few examples. As cited by Levin and Belfield⁷, oftentimes it seems that “ideology trumps evidence.” Good researchers know that there are decision points in every study, and those decisions about weighting, defining variables, and so on are crucial to the eventual outcomes of the research. Some of these studies have received highly public criticism.⁸ Because of the nature of the teaching/learning phenomenon, many methodological problems occur in all educational research. Often, no random assignment is possible and frequently there are severe issues of selection bias in the basic premise of all voucher research.

With that in mind, it is possible to look at the educational research evidence on student achievement in voucher programs and find that it is mixed: no significant differences exist in student achievement, except perhaps a specific effect for black students that some researchers have found but cannot explain. This shows how vouchers change from educational reform to avowed political strategy, with educational researchers getting caught up in the political urgency.

Vouchers as Political Strategy, pro and con (1980’s and 1990’s)

Considering the political issues, vouchers became prominent as political strategy in the 1980s because they appealed to Ronald Reagan, consistent with his themes of less government and deregulation in favor of the free market forces. It was a good thing in this period to break up monopolies, and public education was another monopoly. According to the influential book by Chubb and Moe, *Politics, Markets and America’s Schools*, there was not a system of public education, but rather there was a bureaucratic monopoly of “government schools.”⁹ A related item on the conservative agenda of that time was to reduce the power of liberal vote bloc of

⁷ Levin & Belfield, 2003b.

⁸ Goldhaber & Eide, 2003; see also Miller, D. W., “The problem with studying vouchers” in *Chronicle of Higher Education*, v. 47, no. 44, (July 13, 2001), p. A14-15.

⁹ Chubb & Moe, 1990

teachers unions. Economics and politics converged in the conservative ideas of less government and smaller tax burdens, and introduced the libertarian ideals of freedom of choice and parental control of their children's education in the start of the culture wars.

Peterson argues that concerns and problems, though, abound in the details of vouchers proposals, primarily due to two issues.¹⁰ First, the phenomenon of “creaming” or “skimming the cream” (i.e., taking the best students and most involved parents away from the common school) brings up major questions about the real beneficiaries of vouchers. Second, diluting the funding for public schools brings up even more serious concerns about the real purpose of vouchers.¹¹ Most political liberals, who want to see changes in urban schools and community empowerment, are nevertheless unwilling to leave public schools as the “last resort” for the most poor and disadvantaged and ending up with a two-tiered system for rich and poor. For the last fifty years, liberals in America have fought a battle against “separate but equal” schools. The country has suffered through the long conflict of court-ordered busing, and now voucher proponents seem to want to reverse those gains and accelerate a trend toward resegregation. Although voucher proponents often cite poverty and inequality as the problems they want to address, there are also underlying issues of race and class that are far less visible in the debate. If vouchers plans proliferate, what message is being sent to those few students who remain left behind?

For political conservatives, vouchers also raise concerns and potential problems about the impact on private education. They do not know what the effects would be if private school admissions were no longer selective, if private school budgets became public, and if students were exempt from religious activities. When private school educators study vouchers in depth,

¹⁰ Peterson, 1999; Peterson & Howell, 2006.

¹¹ Weil, 2002

they frequently question how accepting vouchers might affect their student assessment practices and their freedom to decide their own curriculum. They begin to see vouchers as “the camel’s nose under the tent.”

Voucher laws have been introduced several times, in many states, and have nearly always been defeated, with public opinion polls showing little or no support.¹² Champions of vouchers tend to be business interests, conservative think tanks like the conservative Cato Institute, some private school leaders, and some state legislators. These groups support vouchers yet often oppose general school funding increases and tax support for other educational initiatives.

Political opponents of vouchers have included large education policy networks of the National Education Association, American Federation of Teachers, the National Parent Teacher Association, National School Boards Association, and the NAACP. Ironically, after decades of supporting public education post-*Brown*, the NAACP has received a challenge from younger blacks for whom “separate but equal” does not have the same meaning that it once did. Many young African Americans are seeking community empowerment in different ways, and some of them find it useful to support vouchers. There may be a distinct generational split forming in how individuals (particularly in the African American community) think about vouchers. In Missouri during the 2007 spring legislative session, younger African American legislators were willing to get behind a bill for tuition tax credits in the hope that this program would aid black students in struggling urban schools.

Although accountability has become the new mantra for public education, especially since the No Child Left Behind Act¹³ became policy, voucher proponents have resisted the idea that strong accountability measures such as standardized tests should apply to private schools.

¹² See, for example, repeated surveys by Phi Delta Kappa.

¹³ No Child Left Behind, PL

Thus, even those that choose to accept public money through a voucher system do not want to report to the public on their results in the same way that public schools must do now under the national and state report cards.

Convergence and Conflation (2000)

Education is a large budget item for any government. Along with health care, it is generally the largest spending category in the state budget. Therefore, any policy that affects this large category is critically important. In terms of economic theory, there are at least two unique dimensions of education as a public service. First, education is both a private (individual) benefit and public good at the same time (benefiting the entire community). Second, market-based techniques to create competition for the public schools do not function the same way that competition functions for other commercial enterprises. The nature of the educational marketplace and education as a “service” must be taken into account.

According to basic economic theory, competition causes innovation to happen, and competition drives down prices. Competition drives out the poor competitor, which is what voucher proponents want to see happen to ineffective schools. Yet most suppliers of any service do not want to operate in a field that is highly competitive because strong competition means thin profit margins. Consumer-product and service companies are always looking to boost market share or else these companies get out of the business, even when they are doing well. Such providers face constant pressures to meet client wishes and to revise the product or service based on consumer demand. Professionals, on the other hand, face the problem of meeting client and community needs, which may not be popular or in demand. Education for the benefit of the community is not a commodity and cannot adequately be understood using a simple consumer model.

Despite Caroline Hoxby's belief in economics as the perfect tool for studying vouchers¹⁴, using economic research techniques to study educational problems also presents grave methodological obstacles. A school is not a "black box" for research where variables can be controlled and measured precisely. The student outcome assessments in use today are rarely sensitive enough to measure the type of growth that occurs in learning. In particular, the accumulating knowledge and skill development that happens in fits and starts over the course of a child's life from age 6 to 16 are hard to capture, although the "growth model" is the newest direction for NCLB.

Economic research that has been done on vouchers has found mixed results. The most controlled and well-designed studies have found no significant competition effect on public schools from school choice¹⁵ and in fact some researchers posit that competition acts as a relief valve for public school administrators in some hard-pressed communities, which is precisely the opposite effect that voucher proponents desire.

Levin and Belfield¹⁶ discuss the nature of educational markets in which students and parents act as consumers, and they compare this to the way in which the market works in other realms. The school is ideally a community of learners, not a drop-in shop on the corner. Schools are far more organic; they have rhythms and cycles in a developmental process. If schools are to be understood as social institutions, it must be with interdisciplinary approaches that honor their complexity. Rarely is there "perfect competition" in any type of market¹⁷, and there is also the major problems of defining and coming to consensus on "school quality"¹⁸.

Vouchers as public policy (2000 and beyond)

¹⁴ Hoxby, 2006

¹⁵ Goldhaber & Eide, 2003

¹⁶ Levin & Belfield

¹⁷ Levin & Belfield, p. 14

¹⁸ Levin & Belfield, p. 15

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When proponents have proposed vouchers as a more effective and efficient way to educate students, they often neglect to count all the costs of private education. Tax exemptions are rarely part of the calculations when costing out private schools' capacity to educate students more efficiently and effectively; thus the myth is perpetuated that private schools can do not only a better job but do so more cheaply on a per student basis. Another often-overlooked cost of private education (especially in religious schools) comes from the low salaries paid to women teachers who predominantly work in these schools. In order to evaluate any policy, it is first necessary to identify all of the relevant costs associated with it. All of the related costs (private donations, fundraising, etc.) should be weighed on both sides of the accounting ledger in order to compare private education and public education.

The U.S. Supreme Court in 2002 removed the major impediment to using vouchers as public policy. In the *Zelman v. Simmons-Harris* case¹⁹, the Court split 5-4 with Justice Sandra Day O'Connor providing the key vote. The Court ruled, "Vouchers are not unconstitutional as to the establishment of religion clause." Other court cases might yet arise under the free exercise clause or the excessive entanglement clause, especially when governments tell religious schools that accept vouchers that they must admit avowed homosexuals. As Justice Breyer wrote in his dissent in *Zelman*, there might well be social divisiveness that arises, given our long history of church/state separation. If *Zelman* was the last word on vouchers, as many have thought,²⁰ why has there not been a flood of voucher proposals since summer of 2002?

Voucher proposals in the near-term will continue to appear, as they did in this year's legislative session of my state, in the form of "tuition tax credits." This is the latest technique for voucher proposal that proponents hope will avoid some of the political objections mentioned

¹⁹ *Zelman v. Harris*, U.S. Supreme Court, June 2002.

²⁰ Alexander, K. *American Public School Law*, (2007) p. 197.

above.²¹ Legislators in Missouri (a staunch conservative state) formed an unusual coalition of urban and rural interests to defeat the latest bill, which would have provided tax credits to individuals and corporations and \$5,000 “scholarships” to students in the state’s two largest urban school districts.²² Judging by this recent Missouri case, the use of the terms “tax credit” or “tuition tax credit” will not ameliorate the public’s often-cited opposition to vouchers.

Although the U.S. Supreme Court has removed one major legal barrier for vouchers, many remain in the form of the Blaine amendments found in many state constitutions, which have even stricter language against church/state separation. If the 2007 tuition tax credit bill in Missouri had passed, there would no doubt have been “excessive entanglements” in setting up a new quasi-governmental structure to run and monitor a voucher system for private schools. This would have triggered another state constitutional challenge.²³

Conclusion

In the words of Horace Mann, education acts as the “balance wheel of society.”²⁴ Education is the foundation of the “American Dream” and the promise of opportunity. If the public school is found wanting, it must be improved. Having experimented with both vouchers and charter schools, it should be possible now to recognize and appreciate the complexity of the task of universal public education, especially in America’s large urban areas. There is no panacea when it comes to educating millions of children, in any society. The scale of the enterprise is just too big and too vital. NCLB has demonstrated the limits of top-down federal mandates, with its unrealistic goals and snapshot assessments. Revisions are being recommended now that will

²¹ Huerta, Luis & d’Entremont, Chad, “Education Tax Credits in a Post-Zelman Era” *Education Policy*, 21(1), January/March, 2007, Sage Publications.

²² S.B. retrieved from Missouri general Assembly...

²³ Van Geel, Tyll, “Vouchers, the Supreme Court, and the Next Political Rounds,” in William E. Boyd (2003) *American Governance on Trial: Change & Challenges*.

²⁴ Horace Mann

replace NCLB's achievement targets with a growth model. That is a step forward. To make schools work, local communities need to be involved, with federal support for high-cost items such as technology, teacher training, research and development on best practices, and help for special populations. It would also help to move away from dichotomous thinking of public vs. private schools and find new common ground on educating the children of poor families and the homeless young adults who are aging out of the foster-care system, which is a new and looming problem. New policies are needed, for example, to support of universal preschool education. Corwin & Schneider²⁵, among others, recommend a network of public charter schools wherein educators design innovative programs for hard-to-reach populations, rather than the voucher solutions where every school wants only the best students. Vouchers are not going to be a quick fix for the difficult – sometimes seemingly intractable problems – of public education. New solutions must be sought, and a new discourse is needed, one that avoids the old dichotomy of public and private schools, separate and unequal.

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²⁵ Corwin & Schneider, 2005

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