



## **The Costly Shortcomings of School Vouchers:**

*Inadequate Accountability, Transparency,  
and Results*



Policy Brief

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## The Costly Shortcomings of School Vouchers:

### *Inadequate Accountability, Transparency, and Results*

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More than five million students are enrolled in Texas public schools in a variety of settings and programs, with student-centered learning, technology, and innovation playing a greater role now than ever before. The current public education system offers many choices for Texas families, including state-of-the-art academic programs, magnet schools, academies, and public charter schools. As part of the public school system, these options are transparent and accountable to taxpayers for academic performance and are overseen by locally elected trustees.

When it comes to school vouchers, additional choices do not necessarily equate to higher quality choices. As explained in this brief, school voucher programs that operate outside the public system with limited or no transparency and no accountability requirements do not have a track record of success. Given the rate at which public schools continue to innovate and address the unique needs and talents of Texas students, school vouchers would only weaken the Texas educational landscape and undermine efforts to provide a high-quality, transparent, and accountable system for all Texas families.

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**“[W]ith the explosion of public charters, magnets and creative choice schools, the need to siphon money away from public schools as a way to embolden innovation and diversity of opportunity is no more.”**

**— Dallas Morning News Editorial Board, 10/27/16**

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## Voucher Basics

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While often repackaged under different names, or with slightly different mechanics or eligibility requirements, the general concept of a voucher is the same. A voucher refers to any system in which taxpayer funds are diverted from the public education system to pay for private school tuition or for other products and services from private vendors. The most common types of voucher concepts are outlined below. In all scenarios, students receive the voucher entitlement instead of attending public school or were never enrolled in a public school in the first place, depending on the requirements of the program.

## Types of Vouchers

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### **Traditional Vouchers, or “Scholarship” Programs**

The state provides families with all or part of the funds which would have been used to educate their child in public school. This is often based on the average per pupil state expenditure for public school and is used to pay for all or part of private school tuition.



### **Tax Credit Scholarships**

Individuals (in states with a state income tax) or corporations can allocate an amount equal to all or part of their state tax liability to a private scholarship-granting organization, often referred to as a scholarship tuition organization (STO) or scholarship funding organization (SFO). These private organizations manage and distribute voucher funding to families to be used for non-public educational expenses. Unlike a charitable contribution, the individual or corporation often receives a dollar-for-dollar reduction in state taxes owed, so they have in effect “donated” nothing.



### **Education Savings Accounts (ESA)**

The state provides families with the bulk of the funds that would have been used to educate their child in public school. The funds are placed in an authorized savings account and may be used for private school tuition or to purchase other products and services from private vendors, including costs for homeschooling, online learning, or tutoring.

# The National Story of Student Achievement Research:

## *Vouchers Provide No Lasting Positive Effects*

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In general, studies on school vouchers find these programs have no sustained, consistent impact on student achievement. For many voucher programs, it is difficult to assess the performance of students who use vouchers, because the private schools they attend are not required to administer state accountability tests.

One study summarizes the research as “[t]he best research to date finds relatively small achievement gains for students offered education vouchers, most of which are not statistically different from zero.”<sup>1</sup> Some recent studies, including studies of Ohio and Louisiana’s programs, have found negative effects.

### ✓ **Louisiana Scholarship Program**

Early results from evaluations of the Louisiana Scholarship program found students who used vouchers had reduced academic achievement compared to those who did not. This effect was found to exist in reading, science, and social studies, and was especially large in math. Attending a voucher school increased the likelihood of a student receiving a failing grade on a state assessment by between 24 and 50 percent. This research also found private schools which opt to become voucher-eligible often experience rapid enrollment declines just prior to entering the program, indicating these schools might be struggling to maintain enrollment due to low quality.<sup>2</sup>

A second study analyzing the impacts after two years found similar effects in Louisiana. Students in grades 3-6 who applied for and used vouchers to attend private schools had lower achievement than those who applied for vouchers but did not receive them, and remained in public school. Researchers estimate a student who had test scores at roughly the 50th percentile on state tests before using a voucher fell 24 percentile points in math, and 8 percentile points in reading below their control group counterparts in the first year after they received the voucher.<sup>3</sup>

### ✓ **Ohio’s EdChoice**

In a 2016 study of Ohio’s EdChoice voucher program, researchers found that students who used vouchers to attend private schools fared worse academically compared to similar students attending public schools. The negative effects were greater in math than in English language arts, and persisted over time.<sup>4</sup>

### ✓ **The Milwaukee Parental Choice Program**

The Milwaukee Parental Choice Program (MPCP), which began in 1990 and is the nation’s oldest voucher program, was evaluated from 2006-2011. The evaluators tracked voucher and public school students with similar characteristics over five years and found no consistent difference in achievement growth rates over time. The researchers found no differences in math and reading growth for students who participated in the MCPC for four years, but found the MCPC students had higher reading growth in their fifth year of participation.<sup>5</sup>

In 2010- 2011, the last year of the MPCP study, private schools with voucher students were required to test those students using the state accountability tests. That year, voucher students outperformed



low-income public school students in reading and science in grades 8 and 10, but scored lower in reading and science in grade 4, and in math in grades 4,8, and 10.<sup>6</sup>

### ✓ **D.C. Voucher Program**

The D.C. Opportunity Scholarship Program (OSP), enacted by Congress in 2004, gave priority to low-income students in low-performing schools (other students could also apply). A 2010 evaluation of the program found, “there is no conclusive evidence that the OSP affected student achievement.” After four years of participation, overall math and reading test scores were not significantly affected by the program. This outcome was also found for students who would have attended “schools in need of improvement,” the group Congress designated as the highest priority for the program.<sup>7</sup>

### ✓ **Cleveland Voucher Program**

A 2004 study compared students in the Cleveland Voucher Program to two groups of public school students- those who applied for vouchers but did not receive them, and those who did not apply for vouchers. The study compared the groups of students over seven years and found while the voucher students outperformed the other groups when they entered the program in first grade, there was no significant difference in student achievement in most subjects in most years. However, the study did find voucher students consistently outperformed the other groups in language arts.<sup>8</sup>

## The Truth About Who Uses Vouchers

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Quite often, the political rhetoric surrounding vouchers focuses on the idea that vouchers can help students from poverty or students enrolled in low-performing public schools.

The reality, though, is that many students accessing vouchers were never enrolled in public schools, are from higher-wealth families, and are leaving higher-performing public schools to use voucher funds.

### **Taxpayer Funds Subsidizing Private School for Wealthier Families**

While vouchers are typically advertised by proponents as an option for low-income families seeking higher-quality options than their neighborhood school, reports about existing voucher programs often tell a different story.

Unless prohibited in voucher legislation or rules, vouchers are often used by higher-income families to attend private schools. Some voucher programs even allow the use of voucher funds to subsidize private school tuition for students who never attended a public school in the first place.

An example of this is Indiana’s Choice Scholarship Program. In 2016, the Indiana Department of Education found Indiana’s voucher program had a \$53.2 million deficit, due to a high (and growing) number of students who never planned to enter the public school system, and instead used the voucher to fund tuition at a private school, which their parents would have selected even without the availability of a voucher.<sup>9</sup>

Similarly, a 2006 review of the Cleveland Voucher Program found the majority of scholarship students were already attending a private school prior to receiving the scholarship.<sup>10</sup>

## **Only Higher-Income Families Can Supplement Vouchers**

Some private school tuitions are comparable to voucher payment amounts, but many are much higher. While voucher legislation could specify that the voucher must cover the entire private tuition amount, the majority of existing voucher programs - 13 of the 20 traditional voucher programs (not including tax credit programs) and both ESAs in operation - do not require private schools to accept the voucher as the full cost of tuition.<sup>11</sup>

In these programs, parents are responsible for paying the difference between the voucher and the school's tuition, which can be sizeable. Additionally, families are often responsible for paying for transportation to the private school and other fees the school might charge, such as uniforms and books. Some researchers have speculated it is these types of fees, in addition to payment of tuition not covered by the voucher as the reason why "the most disadvantaged families fail to use vouchers at similar rates."<sup>12</sup>

Thus, it is often more affluent families that benefit from vouchers. For example, a 2016 study of Ohio's Edchoice voucher program found compared to all eligible students, the students who used vouchers to attend a private school were less likely to be economically disadvantaged and were higher-achieving.<sup>13</sup> Other studies indicated families who are offered vouchers, but choose not to use them tend to be lower income, have parents who are unemployed or part-time workers, from single-parent households, are students with disabilities, English language learners, or are from families of color.<sup>14</sup>

## **Not All Voucher Students Come from Low-Performing Schools**

Similarly to how vouchers are advertised by proponents as a cure for low-income families, they are also touted as being primarily for students at low-performing schools. This is not always the case, as evidence shows some voucher students are leaving higher-performing public schools.

A 2016 analysis conducted by The Arizona Republic of Arizona's ESA program for the 2015-2016 academic year challenges claims by ESA proponents that such programs primarily benefit lower-income students wishing to leave lower-performing public schools. After reviewing available data, one of the key findings of this analysis was that "[t]wo years after state lawmakers granted children from poor-performing schools the right to attend private schools at taxpayer expense, most children using the program are leaving high-performing public schools in wealthy districts..."<sup>15</sup>

# Special Education Vouchers:

## *The Wrong Remedy for Assisting Families*

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Some voucher programs are targeted to students who receive special education services. While students with disabilities and their families can experience challenges in a public setting, voucher programs often have similar problems but lack the legal protections, transparency, and quality controls that exist in the public system.

### **Loss of Rights in a Private Setting**

In 2016, The Council of Parent Attorneys and Advocates, Inc. (COPAA), a nonprofit network dedicated to protecting and enforcing the legal and civil rights of students with disabilities, conducted a review of special education voucher laws across the country. The organization found many states with this type of voucher program require families to waive their rights under the federal Individuals with Disabilities Education Act (IDEA). IDEA requires all federally funded schools to provide eligible students a free and appropriate public education (FAPE), including an individualized education plan (IEP). IDEA also provides families with a method of recourse if the student's needs are not being adequately met.<sup>16</sup>

Given current Texas law, it is unlikely rights for special education students would be protected under a voucher. The Texas Education Agency does not provide oversight of access to special education in private schools if the student is placed there by their parents. If a student does not receive individualized instruction or education in the least restrictive environment, the state would have no standing to intervene on behalf of the student.<sup>17</sup>

### **No Guarantee of High-Quality Inclusion**

Students with disabilities benefit from being included (mainstreamed) in the regular classroom, which is also mandated by federal law to the extent possible. While it is crucial for teachers of special education classrooms to be well-trained, it is equally important for general education teachers with mainstreamed students with special needs to be trained and developed.

Many states with vouchers for students with special needs do not require specific educator certification for private providers, both for teachers of special education classrooms and for general education teachers who instruct mainstreamed students.

Oklahoma's special education voucher program is an example of students losing guaranteed access to highly-qualified teachers when they leave the public system. While Oklahoma state statute requires a bachelor's degree for any private special education teacher in a voucher program, teachers who have taught for at least three years are exempted from the requirement, as are those who have "special skills, knowledge, or expertise that qualifies them to provide instruction in subjects taught," even though these special skills are not described in statute or by the agency. One Oklahoma legislator noted during consideration of the voucher bill that once a child enters private school, "we take our hands off the wheel."<sup>18</sup>

## **Voucher Disparities Can Be Especially Costly for Families of Students with Disabilities**

Vouchers are not likely to cover the costs of high-quality services for students with disabilities in a private setting. Due to the customized nature of these services, costs for services can vary widely. Some estimate the cost of educating a student is more than doubled if the student has a disability.<sup>19</sup> Effectively, the amount a parent would need to supplement a voucher for a student with special needs is likely to be even higher than for a general education student.

The COPAA study confirmed voucher funding is rarely sufficient and generally does not cover the full cost of a child's education, so only families with adequate resources can choose to use a voucher. The study found the range for voucher values is from \$2,000 in Mississippi to \$27,000 for students with Autism in Ohio. The median amount is between \$5,000-\$7,000, which in many states is not enough to cover the full cost of tuition, leaving families to make up the difference.<sup>20</sup>

A 2016 study of the Florida McKay scholarship program found that the average scholarship payment is approximately \$7,000; the highest amount awarded is about \$13,000; most private school tuitions for students with disabilities are \$40,000 - \$100,000 per year.<sup>21</sup>

This raises serious fairness concerns both because economically disadvantaged students with disabilities will not benefit from the voucher, and because the most economically disadvantaged students will remain in a public school that now has fewer resources to meet their needs.

## **Vouchers Are Not the Answer for Students with Special Needs**

Some parents of students with disabilities are legitimately frustrated trying to obtain adequate and appropriate services for their children in public schools. The solution, however, is not to deny the rights of these children, forego any transparency and accountability for their educational program, and remove them from an inclusive setting. Instead, parents, schools, and the legislature must continue to work together to improve services for this important population of students.

The Texas Council for Developmental Disabilities, in their School Choice in Texas Issue Brief, warns that that current options related to vouchers and some ESAs are limited to: <sup>22</sup>

- 1) placement in private schools that may be ill-prepared to serve students with disabilities, or
- 2) placement in private schools that focus exclusively on students with disabilities, in which case the educational experience offered would not be considered "inclusive" in the community at large.



## Conclusion

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Texas students are unique, as are their talents, needs, and learning styles. The Texas public education system educates more than five million students, nearly ninety percent of school-age Texans. Serving this diverse population well is one of the greatest challenges faced by educators, administrators, and legislators. There have been efforts to expand and reward innovation by providing greater autonomy to local leaders, and these efforts are beginning to pay off. Public schools are offering more high-quality choices to students than ever before. Texas families deserve choice, but only choice that is anchored in accountability and transparency. Voucher programs would weaken the system meant to serve all Texas families at a time in which the future success of more than five million Texas students is crucial to the prosperity of our communities and state.

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