

Article

After the Derailment
A Californian looks at the Future of School Vouchers in his State

by
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On election night in 1993, as opponents of Proposition 174, the California School Voucher Initiative, frolicked at lavish parties at the prestigious Fairmont Hotel in San Francisco and other locations around the state to celebrate the derailment of the Voucher Movement in California, the activists supporting Proposition 174 gathered in small groups at private homes, huddled around television sets, and watched the election returns come in. The initiative which the supporters had labored so hard to promote lost by a 7-to-3 margin.

Almost immediately, debate began around those television sets concerning what went wrong in the campaign. Activists knew that they had started the campaign with numerous factors in their favor: Californians were dissatisfied with the quality of their public schools and believed that they were in a state of decline, and Californians supported the principle of parental choice in education by a 7-to-3 margin. Yet, somehow, those advantages failed to translate into an election victory, and the activists were determined to find out why and to put the “the train back on the track.”

After spending more than a million dollars of public opinion research, voucher supporters learned what their political opponents probably already knew: The reason for the stunning defeat was more than the lack of money for the campaign and tactical errors in organizing the campaign. To have a chance of electoral success, the next voucher initiative in California must not only bring market discipline to education policy and erect constitutional barriers to prevent the political undermining of that discipline, the initiative must be shaped in a manner which accommodates the naturally conservative and egalitarian dispositions of the California voter--dispositions which express themselves in four prerequisites to voter approval. A voucher plan cannot be perceived to

- Threaten to lower per pupil spending in the State's public school system or to provoke a statewide tax increase,
- Lay the groundwork for a material, adverse change in the composition of the student population of public schools,
- Fail to *guarantee* that all children have a decent chance to take advantage of the vouchers, or
- Ignore the doubts of voters that many parents might not be able to shop wisely for education for their children.

The Financial Prerequisite

Exit polls from Proposition 174 revealed that about 15% of the public voted against the

initiative primarily because of financial concerns, and follow up focus groups revealed that the public's fiscal conservatism and lack of sophistication in financial matters proved fertile ground for voucher opponents to sow fears about the revenue neutrality of the proposal and its ultimate effect on per student spending in K-12 education.

Because no short-run possibility exists of improving the public's understanding of governmental finances or of increasing voters' propensity to have the government run material financial risks, any voucher plan which allows even the legal possibility of not breaking even remains politically vulnerable to one or both of the following charges: (1) of decreasing per student spending in public schools, and (2) of forcing a tax increase by raising the overall level of public spending.

The most logical way of eliminating the legal possibility of not breaking even is to give the voucher plan a flexible phase-in schedule linked to a savings pool created from students transferring out of the high cost public schools into lower cost voucher-redeeming schools. Because the amount of the savings in the pool might fluctuate, the transition provisions would have to allow for the possibility that the average amount of the vouchers and/or the number of recipients might have to go down sometimes if the amount of savings is insufficient during this phase-in period.

The Prerequisite about the Composition of the Student Population

The fear that Proposition 174 would erode the quality of local public schools by adversely changing the composition of the student population attending probably motivated about 8% of California voters to oppose the initiative. In the eyes of opponents, the proposition threatened to make changes in two ways.

The first was that the public school choice provisions of Proposition 174 promised true desegregation of California's public schools; and such desegregation, in the minds of many suburban parents, threatened to expose their children to the social problems of the inner city. A recent telephone survey by Public Agenda, a public opinion and research organization, for example, found that 61% of white parents said that an influx to their children's schools of a large number of black students would probably mean more discipline and safety problems; or would cause test scores and reading levels to drop.

Although the lack of major shifts in student racial and socio-economic demographics after the California Legislature liberalized the procedures for intradistrict and interdistrict student transfers between public schools clearly showed that the fear of public school choice was unfounded, statewide surveys and focus groups revealed that the political problems of this public school reform were far from unique. For better or worse, except for the expansion charter schools, *every* public school reform tested as a possible joint proposal with vouchers added little to the probability of the initiative's passage and often decreased the its chances of success.

The second discussed demographic change was referred to as "creaming" by voucher opponents. Such a change would theoretically occur if private schools' admitted only the easiest or least costly students to educate while leaving the public schools with the "dregs," as voucher opponents so hypocritically called these children in private. The most important subgroups of the

“dregs” are children receiving special education instruction or requiring periodic medical attention (like asthmatics), and ill-disciplined or violent children whom local public schools normally must admit and make some pretense of educating. (Mercifully excluded from the category are hospitalized children apparently because their special instructions occurs outside of a local public school site.)

Proposition 174 unsuccessfully attempted to assuage some of this fear of an “unequal playing field” by allowing the Legislature to provide additional funds for special education students’ vouchers--a provision which the public believed the Legislature would never implement because of the State budget problems at the time. No special provisions in Proposition 174 pertained to the other more expensive or difficult to teach students.

A more credible way to address concerns about “creaming” would have been (1) to make the financial incentives to use the voucher consistent across the student population by linking the size of the voucher to what the State’s public school system would have spent on the child if he or she were in a local public school, and (2) separately from a voucher initiative, to give the public school system greater ability to isolate ill-disciplined and violent children from the rest of the student population. This isolation is possible by giving teachers and principals greater authority to expel misbehaving students and to refuse to readmit them, by simplifying the procedures in disciplinary hearings and modifying the corroborating witness rule in such hearings, and encouraging the creation and expansion of County Community Schools and district Day Schools for such students.

The Equity Prerequisite

A related prerequisite, not picked up by exit polls but expressed repeatedly by my audiences in my debates concerning Proposition 174 in the East Bay and Peninsula, was that a voucher plan had to be more than just a new middle-class entitlement--that is, a voucher plan had to be structured in such a way to *guarantee* that all children have a reasonable opportunity to take advantage of the voucher regardless of the income level of their parents.

In particular, members of the audiences asserted repeatedly that supplemental monies had to be available for children from poorer families to ensure that transportation cost did not become a material barrier to using the voucher. And later empirical research about transportation costs appears to validate the public’s concern about the issue, at least in some circumstances. Dr. J. Chrys Dougherty and Stephen L. Becker of the Lyndon B. Johnson School of Public Affairs at the University of Texas at Austin surveyed the transportation needs of low income parents participating in a private voucher plan in San Antonio, Texas, and the public voucher plan in Milwaukee, Wisconsin. Their conclusions were that even though "large numbers of low-income students can find their way to private school even if transportation is not provided by the school, or if transportation costs are not reimbursed until the end of the year ... transportation appears to be a problem for a significant number of students." "In some cases, this (cost) burden will be enough that the private school in question is not a viable choice." Although a variety of approaches to handling the transportation problem is possible, certainly one approach is to provide poor parents with a higher voucher so that they can divert the money with which they would have supplemented the voucher to cover transportation costs.

Additionally, subsequent interviews and focus groups revealed that the public had and has a major, latent concern that religious schools might discriminate in admissions on the basis of faith and thereby create an effective barrier to the use of vouchers in low-income areas where the only good schools are often sectarian ones. Although my discussions with the people associated with religious schools and with religious school associations suggest that such discrimination is rather uncommon today, it can arise (1) when the owners of the school consider using religious belief as a short-cut method of screening out the more intellectually rebellious children or (2) when attendance at the school is at capacity and members of the faith sponsoring the school are failing to gain admittance.

Because the better voucher-redeeming religious schools in low-income areas will find admission applications surging in the early days of a voucher plan, such schools might indeed end up more frequently giving religious preference in admissions than they do today--at least until the supply of private education in the inner-cities catches up with demand. If future public opinion surveys prove that this factor is pivotal to electoral success, the voucher proposal would have some sort of provision which temporarily forbids religious discrimination in admissions at least as long as (1) the public schools in a given area are uncompetitive, and (2) alternative private schools in that area are insufficient to handle the voucher-induced growth in demand for private education. The effective timeframe for such a provision should probably be 5 years or less.

The Buyers Aids Prerequisite

Not surprisingly, the exit polls also showed that about 13% of California voters opposed Proposition 174 because of their concern about the potential lack of “accountability” of the people running private schools and the lack of “safeguards” against vouchers being spent at schools with unpopular orientations. Although the authoritarian impulse to obstructing the social advancement of people with politically incorrect ideas certainly played a part in the public’s concern, the underlying element for most voters was skepticism about whether competition in K-12 education would actually benefit those most “at risk” and in need of a change in educational setting.

Both surveys and focus groups underscored the “I’m okay, but you’re not” viewpoint of many California voters, especially those who are highly educated and middle-or-upper class, when it comes to shopping wisely for schools. These individuals intuitively know that schools in a freer market would be increasingly heterogeneous; that parents would find them increasingly difficult to compare; and that along with the infusion of large amounts of new monies from vouchers could come a growth of “McDonalds Schools,” cult schools, and fraudulent enterprises. Furthermore, these individuals know that, unlike public schools (which survive even the most severe financial mismanagement), private schools can fail financially, much to the dismay of the parents whose children are in them.

The confidence expressed by free-market proponents of vouchers that “the market” would ensure a high quality of private education in the long-run was dismissed by voters, who realized that parents would have to make educational decisions--often with only partial information--for their children in the short-run. To ameliorate this concern, the voucher plan must provide parents with “crutches” to reduce the risks in decision-making. Some such “crutches” are legal requirements involving (1) accreditation or provisional accreditation by nationally recognized accreditation agencies or other authorized public entities, (2) regular public reporting on the financial health of voucher-

redeeming schools, and (3) some sort of minimum qualifications for teachers in voucher-redeeming schools. (Providing voucher-redeeming schools with various means of complying with such requirements should be able to make the regulations materially less burdensome and intrusive.)

The Future

The knowledge of the regulatory price of tailoring a voucher initiative to meet the prerequisites for electoral success was a bitter pill for almost every voucher activist who was privy to the research. Some voucher supporters simply “swallowed the pill,” so to speak. Others responded by simply denying the obvious truth and proceeding upon a Quixotic attempt to push an initiative which met *none* of the prerequisites. Still other activists responded by abandoning the cause; and/or turning their attention to promoting charter schools, and implementing various other school and electoral reforms.

What made the information even more dismaying to voucher supporters was that even with the tailoring of the initiative, a survey of initial voter approval in late 1995 suggested that it was slightly below the 70% which donors normally like before signing up to large multi-million dollar pledges to support an initiative drive. And such donations were and are particularly critical to another voucher initiative campaign, which will probably require top professional management and an enormous campaign budget--at least \$15 million and perhaps as much as \$40 million. So “the voucher train” was not going “back on the track,” at least for a while.

“The voucher train, ” however, will not remain “off the tracks” forever.

The attack ads of the “No on 174” campaign are receding into the public’s collective memory, and the segments of the California electorate most favorable to vouchers have been growing relative to the opposition segments. The future initiative, for example, will have to contend with fewer older voters who remember a “golden age” of public education in California in which discipline, community values, the three Rs, and a commitment to excellence “drove the system”; and who literally cannot imagine the seriousness of the problems which inflict public education today. Additionally, recent surveys indicate vouchers are gaining increasing support among minorities which opposed Proposition 174 by about a 4:1 ratio. One recent national survey by the Washington-based Joint Center for Political and Economic Studies reported that 65% of Hispanics, the fastest growing ethnic group in California, support vouchers as do 56% percent of black respondents.

Furthermore, privately and publicly financed plans inside and outside of California have begun to show parents, especially in low income communities, what opportunities a voucher plan can directly and indirectly hold for their children. Dr. Cecelia Rouse’s evaluation of the Milwaukee Parental Choice Program--an evaluation published in Harvard’s *Quarterly Journal of Economics* in May 1998--indicated, for example, statistically significant positive academic results from participating in the program: The children in the program were showing already showing faster math score gains than their public school counterparts. Also, this past school year provided the closest thing to a case study of what can happen to public schools when the parents of all the students have meaningful opportunities to use vouchers to send their children to private schools. A privately-financed scholarship program targeted students entering grades 1-6 at Giffen Memorial Elementary School,

which had the worst test scores in the Albany, New York, area. In response to 16.8%-to-22.9% of the children taking advantage of the vouchers, Giffen enacted a comprehensive improvement plan which included a new principal, two new administrators, and 12 new replacement teachers.

The day when every California child can obtain public support to obtain the educational setting which best fits him is coming. Let us just hope that the day is coming sooner than later.