

## BRIEF ANALYSIS

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## The Voucher Wars

Tax-funded vouchers are allowing some inner-city children in two large cities to escape failing public schools — but not without fierce opposition, primarily from teachers' unions and from those who question the constitutionality of vouchers.

- In Milwaukee, about 1,500 children from low-income families get about \$4,700 each to attend private secular schools.
- In Cleveland, about 1,300 children receive vouchers of up to \$2,500 each to attend both secular and religious private schools.

Both programs have been challenged in the courts, and proposed expansions of both programs have been halted pending court decisions.

**Milwaukee's Pioneering Program.** In 1990 the Wisconsin Legislature approved a state-funded voucher program for Milwaukee. One of its chief supporters was State Rep. Annette Polly Williams, a black Democrat and former welfare mother, who

contended that poor minority parents should have the same opportunity as more affluent parents to enroll their children in better schools. The Milwaukee Parental Choice Program was limited to 1 percent of the public school enrollment until 1994 and 1.5 percent thereafter. (There are about 103,000 students in the Milwaukee school district.) The Wisconsin Supreme Court rejected a challenge by the teachers' union in 1992.

In 1995 the legislature approved expanding the program to 15,000 children and allowing them to choose religious as well as secular schools. The American Civil Liberties Union and the Milwaukee Teachers Education

Association filed suit, and the proposed expansion has been halted until the Wisconsin Supreme Court resolves the issue.

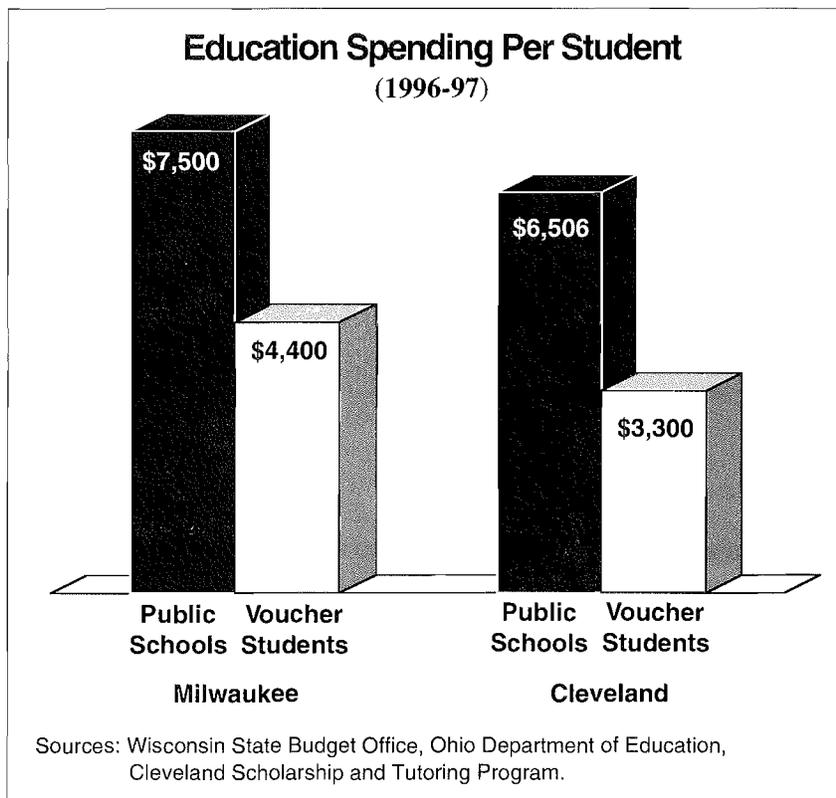
The injunction halted the expansion days before it was to take effect and after many parents had already made arrangements for their children to attend private schools. PAVE (Parents Advancing Values in Education), a privately funded Milwaukee program already paying up to half the private school tuition for about 2,000 children from low-income families, added about 2,300 students whose parents could pay their share of the tuition. PAVE, the largest of 36 private voucher programs across the nation, currently provides vouchers for about 4,400 students.

**The Cleveland Program.** The Cleveland Scholarship and Tutoring Program went into effect in the 1996-97 school year, covering grades K-3 the first year and K-4 the second. It was immediately challenged by the Ohio Federation of Teachers and others on constitutional grounds. An appeals

court found the law unconstitutional because it primarily benefited religious schools, but the Ohio Supreme Court allowed the program to continue until it could rule. The Cleveland program is the only one that currently has recipients in religious schools.

The state has approved spending \$15 million over the next two years to increase the number of children, but the expansion cannot be implemented until the court has decided the constitutional issue.

**Public School Failure.** In Milwaukee, public schools serving the urban poor have long been under fire for their performance. At the time the first voucher law was passed, an estimated one-third of the school district's



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employees were sending their own children to private schools. With a racial makeup that is 70 percent minority, the district has tried — especially since the first voucher law was passed — to make improvements. Still, fewer than half of its high school freshmen graduate.

Milwaukee is spending \$8,051 per student this school year, up from \$7,500 in 1996-97. However, the amount spent on instruction declined from 57 percent to 53 percent from the 1992-93 school year to 1996-97, and the number of principals and assistant principals increased almost 30 percent. Reforms have been further hampered by seniority provisions in the contract with the teachers' union that limit school administrators' control over teacher assignments.

The public school situation is even worse in Cleveland, where 80 percent of the 75,000 public school students are from racial minorities. After the district nearly went bankrupt in 1995, a state judge declared the district in a "state of crisis" and ordered the state superintendent to take charge. Now the legislature has given control of the district to the Cleveland mayor. Student performance has reflected the chaos. For example:

- Only about 15 percent of Cleveland's fourth graders and ninth graders passed state proficiency tests in the 1996-97 school year.
- Only 4 percent of eighth graders passed algebra and fewer than 1 percent of high school students took Advanced Placement courses.

**Do Vouchers Harm Public Schools?** Despite the dismal record of public schools in both Milwaukee and Cleveland, teachers' unions and their allies have attacked the voucher program as harmful to the public schools. The only problem with public schools, they say, is a lack of money.

About \$7.1 million went to the Milwaukee private school program in the 1996-97 school year, when 1,650 students participated and payments were \$4,400 per student. The union said the money should have been used in the public schools to reduce class size and implement a new learning program. This argument ignored the fact that the district received about \$7,500 for each of the students and sent the private schools only \$4,400 — giving the district an extra \$3,100 for each of the children it no longer had to educate [see the figure]. Thus the public schools had *more* money per remaining student.

The same was true in Ohio. The president of the Ohio Federation of Teachers said the \$5.25 million spent last school year on voucher students (about \$3,300 per stu-

dent when other costs are considered) was money being denied to public schools. But state officials pointed out that the public schools, which spent \$6,506 per student in 1996-97, came out ahead because the state funding formula still counted the voucher students in Cleveland's enrollment.

**Are Vouchers for Religious Schools Unconstitutional?** The Wisconsin Court of Appeals has said they violate the state constitution's ban on state money going to "the benefit of religious societies." But in Ohio, state judge Lisa Sadler has said that since the parents, not the state, choose the school, there is no violation of the principle of separation of church and state. The states' Supreme Courts have yet to rule.

Bret Schundler, the mayor of Jersey City, N.J., who has tried unsuccessfully to get tax-funded vouchers for his city's schools, calls the constitutionality question "a red herring." In a recent letter to the *Wall Street Journal*, Schundler pointed out that military veterans have used the government-funded GI Bill to attend any college, religious or secular, and that federal Stafford loans and Pell grants can be used at both religious and secular institutions of higher learning. "School choice is simply about one thing: parental choice," he wrote.

**Do Vouchers Help Children Get a Better Education?** When Paul Peterson of Harvard and Jay Greene of the University of Houston compared Milwaukee public school and voucher students with similar backgrounds (which previous research had failed to do), they found:

- Voucher students had reading scores 3 percentile points higher and math scores 5 percentile points higher, on the average, in their third years.
- They had reading scores 5 percentile points higher and math scores 12 percentile points higher, on the average, in their fourth years.

In another study, Cecilia Rouse of Princeton University found that math scores of voucher students increased 1.5 percent to 2 percent each year over what they would have attained in public schools, with the improvement coming every year, compounding the effect.

Because of its newness, the Cleveland voucher program has been studied less. However, Peterson, Greene and William Howell of Stanford studied two schools in the program and found average gains of 5.5 percentile points on reading tests and 15 points on math tests between the fall of 1996 and the spring of 1997.

*This Brief Analysis was prepared by NCPA Senior Scholar Dorman E. Cordell.*