



ALLIANCE FOR
EXCELLENT EDUCATION

Straight A's:

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SUPREME COURT UPHOLDS CLEVELAND VOUCHER PROGRAM: President Bush Urges Local Voucher Plan

The **U.S. Supreme Court** recently upheld the practice of allowing disadvantaged students to use public funds to attend private, religious schools. Ruling 5-4, the court reversed a Ohio appeals court decision striking down a controversial program in Cleveland for violating the separation of church and state.

Appearing in Cleveland days after the decision, President Bush came out in broad support of vouchers at the local level:

“The people of Cleveland and the state of Ohio decided . . . they wanted to encourage a voucher system to be implemented. That was a local decision. And the Supreme Court of the United States gave a great victory to parents and students throughout the nation by upholding the decisions made by local folks here in the city of Cleveland, Ohio.”

Despite the fact that 82 percent of the schools that participate in the Cleveland system have religious affiliations and 96 percent of the students choose religious schools, the court held that parents have a range of educational choices. Delivering the opinion for the majority, **Chief Justice William Rehnquist** said the Ohio program did not constitute the establishment of religion: “The Ohio program is entirely neutral with respect to religion. It provides benefits directly to a wide spectrum of individuals, defined only by financial need and residence in a particular school district. It permits such individuals to exercise genuine choice among options public and private, secular and religious.”

In a dissent, **Justice John Paul Stevens** found the majority decision “profoundly misguided” and offered this warning: “Whenever we remove a brick from the wall that was designed to separate religion and government, we increase the risk of religious strife and weaken the foundation of our democracy.”

Supreme Court Uphold Cleveland Voucher Program

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Opponents of vouchers, which allow parents to remove children from public schools and pay for private school tuition with taxpayer money, have long said that vouchers deplete much-needed resources from the nation's public schools and cause irrevocable harm for the benefit of the few. Proponents stress that vouchers provide competition for failing public schools and give poor students the same educational choice that their middle-class and wealthy peers enjoy.

While the Supreme Court decision in *Zelman v. Simmons-Harris* is expected to generate new efforts to expand voucher programs across the country, most education experts believe it is unlikely to lead to a mass exodus of students and money from public schools. Polls show that many Americans remain skeptical, if not hostile, toward vouchers. Today, three voucher programs exist: Cleveland, Milwaukee, and the state of Florida. At least 26 states have refused to enact legislation that would establish voucher programs. However, only hours after the court decision, **House Majority Leader Richard K. Armey (R-TX)** introduced a bill to create a program similar to the Cleveland voucher system for Washington, D.C.'s low-income children who attend failing schools. A similar bill was vetoed by former-President Bill Clinton in 1997.

Reactions to the Court Decision

"It's flat wrong to take scarce taxpayer dollars away from public schools and divert them to private schools. Despite the Court's ruling, vouchers are still bad policy for public schools, and Congress must not abandon its opposition to them." --**Senator Edward M. Kennedy (D-MA)**

Attorney General John Ashcroft called the decision "historic" and "a great victory for parents and children across America, particularly for many minority, low-income students who have been trapped in failing public schools."

"This decision represents an opportunity for us to become the most passionate and most articulate advocates ever for public education. Before today's ruling, vouchers were an unpopular and unproven idea. They still are and they offer nothing to the 90 percent of children who attend public schools." --**Mossi White, National School Boards Association President**



GIVING FAMILIES EDUCATIONAL CHOICE: What Are the Options?

The idea of using public funds for private schools in the form of vouchers was put forth in the 1960s by economist **Milton Friedman** as a way to bring choice and market forces into the business of education. While vouchers are the most hotly debated way for a state to provide families with educational choice, other alternatives such as charter schools, open-enrollment plans, tax credits, and other innovations are also in place around the country.

Vouchers – the subject of debate

Voucher programs allot a certain sum of money to students who choose to forgo the public school system and enroll in private schools. In addition to the Cleveland program at issue in *Zelman v. Simmons-Harris*, there are much-publicized voucher programs operating in Florida and Milwaukee.

Proponents claim voucher programs give families new options and force schools to demonstrate results. Surveys show that the majority of families using vouchers are pleased with the perceived options, but it is unclear whether vouchers actually result in improved student achievement.

While recent studies in Milwaukee suggest that achievement improves only 1 percent to 2 percent under a voucher system, evidence shows potentially more promising results for minority students. Besides concern about the limited improvement in achievement, opponents cite three objections. First, with over 80 percent of private schools religiously affiliated, many people believe that vouchers create church-state entanglement, the concern canvassed in *Zelman v. Simmons-Harris*.

Opponents also complain about the school's lack of accountability. Making the schools accountable, however, creates a potential catch-22. Accountability would require regulating potentially unwilling private schools and would be costly—\$48 billion nationwide, according to Stanford Professor Henry Levin. If states do not regulate schools, however, they risk opening the doors to abuse. For example, six Florida for-profit voucher schools have come under fire for abusing students, failing to provide materials, underpaying teachers and falsifying applications for state funds.

Last, opponents fear that voucher programs will aggravate existing inequalities. In response to this concern, most existing programs have been targeted to help minority and low-income students. Perhaps more significantly, however, vouchers risk inequality by draining funds and talent from public schools. The American public shares this concern--seven out of 10 surveyed oppose a voucher program that would result in less money for public schools.

Charter Schools – Trading regulation for accountability

Charter schools are tuition-free public schools that are subject to less regulation but are potentially held to a higher standard of accountability than most other public schools. Still public in nature, charter schools must be open to all students and meet state standards, but enjoy more freedom in their use of public funds in areas such as teacher hires and learning material purchases.

This innovative form of public education has gained broad political support over the last 10 years. In 1991 there was only one charter school in the country; today there are more than 2,300 charter schools serving over 575,000 students. Formed with the permission of the relevant school boards and state legislatures, charter schools can be converted public or private schools or started from scratch. Ten percent to 20 percent are run by for-profit companies.

Giving Families Educational Choice

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Supporters praise the options that charter schools give to families and hope that the freedom from bureaucratic micromanagement will allow these schools to innovate and concentrate on producing results rather than following procedures. Most charter schools are still in their infancy, but results to date have been mixed. RAND Corporation's recent report *Rhetoric Versus Reality* concluded, "None of the studies suggests that charter-school achievement outcomes are dramatically better or worse on average than those of conventional public schools."

Open-enrollment policies – real choice ... sometimes

Perhaps the purest mechanism for providing families with educational choices is simply allowing parents and students to choose their school. These open-enrollment policies allow students to enroll at any school in a given district or sometimes even across districts.

Unfortunately, there are two frequent problems with this approach. First, most policies allow movement only to schools with extra space, which in many areas does not exist. The second difficulty involves transportation. Frequently, students must find their own transportation to the new school, which all too often keeps disadvantaged students in their failing schools while more privileged students go elsewhere.

When a community tries to provide transportation, it is quite costly: Pinellas County, Fla., plans to spend \$7.5 million to \$8.9 million for school choice transportation this year. In short, while open-enrollment practices seem to provide choice within the framework of traditional public schools, they do not necessarily improve educational settings for disadvantaged students.

Transportation Costs Under No Child Left Behind

Under the *No Child Left Behind Act*, a school that has been identified for improvement as of January 7, 2002 must provide school choice at the beginning of the 2002-2003 – unless the school makes its second year of adequately yearly progress based on its 2002 assessment results. If a student exercises the option to transfer to another public school, the school district has certain obligations to provide the student's transportation to the new school with federal funds. The school district's obligation for choice-related transportation and supplemental education services is equal to 20 percent of its Title I, Part A allocation.

For more information, please read U.S. Secretary of Education Rod Paige's dear colleague letter to education officials at: <http://www.ed.gov/News/Letters/020614.html>

Tax credits – the passive voucher

Tax credits provide one alternative to vouchers. Current education tax credits allow deductions for some educational expenses. This creates a subsidy, or passive voucher, the size of which depends on one's tax rate. Such tax credits exist in Illinois, Arizona and Minnesota. At the federal level, Educational Savings Accounts (ESAs) work like Roth Individual Retirement Accounts (IRAs), allowing a savings account to earn interest tax-free. Expanded as part of the 2001 federal tax cut, the program now allows parents to set aside up to \$2,000 per year to be used for educational expenses, including private-school tuition. Supporters claim tax credits encourage educational planning and give families an incentive to devote resources to education. Opponents, however, criticize the fact that tax credits are both used more frequently by, and give a larger per-dollar benefit to, upper-income families.

Other options – a world of choice

In addition to these large-scale policies, other school choice options continue to exist and grow. Alternative schools that are based on the Montessori and Waldorf traditions have thrived since the late 1960s, and magnet schools provide public school options for specific groups of students. Meanwhile, nearly a million students nationwide will have some home schooling. High school students in particular are increasingly presented with options for taking classes online or in partnership with colleges and universities. Thus, while the voucher debate rages, it is clear that a wide array of options offer more educational choice without the controversy of sending public funds to private education.

For more information on school choice visit:

RAND Corporation. Rhetoric Versus Reality at <http://www.rand.org/publications/MR/MR1118/>

Margaret Hadderman. Trends and Issues: School Choice. At http://eric.uoregon.edu/trends_issues/choice/

The Heritage Foundation. School Choice 2001. At <http://www.heritage.org/schools/>



COURT RULES NEW YORK CONSTITUTION REQUIRES ONLY A MIDDLE-SCHOOL EDUCATION

Last week, a New York state appeals court overturned a lower court ruling that said New York had failed to provide its students with a “sound, basic education,” in accordance with its state constitution. In *Campaign for Fiscal Equity Inc. v. State of New York*, the court ruled that the state constitution only requires the state to provide a middle-school education and to prepare students for nothing more than the lowest-level jobs.

Court Rules New York Constitutional Requires Only a Middle-School Education (Continued from p. 5)

A five-judge panel of the appellate division of the state Supreme Court deferred to a previous decision which held that, under the New York state constitution, education “should consist of the basic literacy, calculating, and verbal skills necessary to enable children to eventually function productively as civic participants capable of voting and serving on a jury.” Using this standard, last week’s decision said that “the skills required to enable a person to obtain employment, vote, and serve on a jury, are imparted between grades eight and nine.”

The court also drew a distinction between the state’s obligation to provide children with the opportunity to obtain a basic education and the student’s responsibility to actually achieve that level, saying that although “not all students actually achieve that level of education [that failure] does not necessarily indicate a failure of the State to meet its constitutional obligations.”

In a dissenting opinion, **Justice David B. Saxe** found “more than ample support for the central finding that the city’s at-risk students . . . are unable to obtain the education to which they are entitled.” He attributed this deficiency to a lack of funds needed to provide the appropriate programs, personnel and training and concluded with a parting shot directed at the majority opinion: “I also note that if the State’s constitutional mandate under the Education Article is satisfied by providing students with low-level arithmetic and reading skills, then logically, it has no meaningful obligation to provide any high school education at all.”

Last week’s decision overturned a January 2001 decision by the state Supreme Court. In an opinion written by **Justice Leland DeGrasse**, the court held that the city’s schools were inadequate and seriously underfunded and, consequently, failed to provide the “sound, basic education” afforded by the New York state constitution. **Michael Rebell**, the **executive director and counsel for the Campaign for Fiscal Equity**, called the decision a “temporary setback,” but expressed confidence that it would ultimately be overruled. “We are confident . . . that the Court of Appeals will ultimately require the State to implement a fair funding system for our children.”



HOUSE AND SENATE ESTABLISH SPENDING GOALS: Senate Total is \$11 Billion Higher than House, President Bush’s

Senate and House Appropriations chairmen unveiled this year’s discretionary spending figures for the 13 Appropriations subcommittees and found themselves approximately \$11 billion apart. **Senate Appropriations Chairman Robert C. Byrd (D-WV)** set \$770.3 billion as his spending ceiling. **House Appropriations Chairman C.W. Bill Young (R-FL)** set \$759.1 billion as his total, a number about \$1 billion larger than the President’s budget request. For the bill funding the departments of Labor, HHS, and Education, the Senate is \$6.6 billion over the House total.

With the differences in how much each chamber is willing to spend, it seems likely that Congress will put off making final decisions on spending until after the election, thus allowing both parties to make the case for its own position. Despite the fact that education continues to be the No. 1 priority in many polls, this potential delay could result in far less money for education at the end of the debate. Consequently, the education community will urge Congress to act before it goes home for November elections.



NEW BOOK DEBATES SMALLER CLASS SIZE AS STATES FACE BUDGET CRUNCH

A new book released by the **Economic Policy Institute**, a nonprofit, nonpartisan think tank in Washington, D.C., captures the debate over the effectiveness of programs to reduce class size. The book, *The Class Size Debate*, edited by **Richard Rothstein** and **Lawrence Mishel**, features **Princeton University economist Alan Krueger's** research showing that those in smaller classes not only exhibit enhanced academic achievement but also improved future earnings potential. Krueger argues that there are flaws in research demonstrating that class size reduction has no effect on student achievement.

In another chapter, **Stanford University Professor Eric Hanushek**, argues that the benefits of reducing class size are so small that it is not worth the investment. **University of Maryland Professor Jennifer King Rice** discusses the implications of the class size debate for policymakers.

The effectiveness of smaller class size is an important issue as states decide whether to continue spending over \$2.3 billion on reducing class size. The federal government has also contributed to the effort: The **Class Size Reduction Program**, established in 1998, allocated more than \$1 billion a year to states in order to help recruit and train teachers in an effort to lower class size to 18 students in the early grades. For fiscal 2002, the Class-Size Reduction Program was incorporated into the new ESEA Title II Teacher Quality block grant which allows states and school districts to use any portion of Title II funds to hire qualified teachers to reduce class size, among other purposes.

At the same time that money is flowing into class size reduction programs, 21 states that use the programs are suffering from large budget shortfalls that could jeopardize their efforts. States such as Indiana are reporting positive results in student performance, yet face crunches that could affect class size reform in the future.

Straight A's: A Citizen's Update on Education is a biweekly newsletter that focuses on education news and events both in Washington, D.C., and around the country. The format makes information on federal education policy accessible to everyone from elected officials and policymakers to parents and community leaders. The Alliance for Excellent Education is a non-profit organization working to make it possible for America's six million at-risk middle and high school students to achieve high standards and graduate prepared for college and success in life.