

August 22, 2003

Testimony of Patrick J. Wolf, Ph.D. Select Committee on Public School Finance Subcommittee on Alternative Methods

Distinguished Legislators, Fellow Panelists, and Guests,

Thank you for the opportunity to speak to the question of whether Texas lawmakers should increase opportunities for parents to choose their child's school as part of an overall strategy for educational improvement. I am an Assistant Professor of Public Policy at Georgetown University and a veteran school choice researcher. As a policy analyst, my job is to speak truth to power, so that the decisions of public officials are well informed. That role is especially important in the case of school choice, where so many interested organizations spread so much disinformation.

I have spent the better part of the past four years evaluating the effects of programs such as the Washington Scholarship Fund's voucher-like scholarship program on the well being of program participants.ⁱ I also have examined much of the broader research that has been conducted on the effects of school vouchers and charter schools on students, parents, and public schools. For the remainder of my talk, I will summarize what I have learned regarding whether students benefit from switching from an assigned public school to a school of their parent's choosing and whether public schools and the students left behind in them are harmed by such transfers. I will speak primarily about the effects of school vouchers, because I have been most involved in evaluating that school choice mechanism, and secondarily about charter schooling.

What does the academic research tell us about school vouchers? First, school vouchers increase parental satisfaction with their child's school. This result has been confirmed by dozens of studies, including University of Wisconsin Professor John Witte's evaluation of the Milwaukee voucher program that is often cited by voucher opponents.ⁱⁱ In the second year of our evaluation of the WSF program, we found that 81% of the parents who used a scholarship to switch their child to a private school gave their child's new school a grade of A or B, compared with just 60% of a randomly assigned control group whose children remained in public school. None of the voucher parents gave their child's school a grade of D or F, compared to 11% of the control group parents.

Second, the research evidence is compelling that school choice increases the educational attainment of program participants. The effects are confirmed by dozens of reputable academic studies and are especially strong for minority and low-income students who transfer to Catholic schools. Derek Neal of the University of Chicago has determined that inner-city minority students are 245% more likely to obtain a college degree if they attend a Catholic high school, compared with similar students who attend a public high school.ⁱⁱⁱ



Third, the research evidence is strong that school choice boosts the academic achievement of inner-city African American students, who tend to be concentrated in the worst performing urban public schools. Nine rigorous studies of six cities by six different research teams have confirmed this important choice effect. The African American voucher students in our studies of the District, New York, and Dayton gained an average of more than six percentage points in math and reading achievement after just two years, compared to the control group, enough to make up nearly one-quarter of the notorious Black-White test score gap that persistently leaves the performance of African American students behind their white peers.^{iv}

Our evaluations of school voucher experiments that document these achievement gains have been published in the top peer-reviewed public policy journal in the country.^v A team of world-renown statisticians recently published an article in the best peer-reviewed statistics journal that confirms our initial findings from the New York City voucher experiment.^{vi} None of the critiques of our school voucher research, and there are several,^{vii} have passed the important quality hurdles of peer review and independent replication.

The achievement effects of school vouchers are less clear for whites and Latinos, as some scientific studies have identified voucher gains for them,^{viii} whereas our studies revealed no obvious performance gains for the voucher users who were not African Americans. Importantly, no study has concluded that voucher users are harmed academically from exercising school choice. The scholarly debate centers on who benefits from vouchers and how much they gain.

School vouchers also appear to promote democratic values. This claim may seem incredible, since opponents regularly state that school vouchers will imperil our democracy. However, Charles Glenn of Boston University has documented that the cherished “common school” has been more of a myth than a reality throughout American history, especially for ethnic minorities.^{ix} Nineteen different academic studies have examined the effect of school choice on the tolerance, voluntarism, political knowledge, political skills, political participation, and patriotism of students. Sixteen of the studies concluded that school choice and private schooling generally enhance the democratic values of students; whereas the remaining three studies found no difference in democratic values caused by school choice. None of the 19 studies concluded that exercising school choice reduces the extent to which students are prepared to be responsible citizens of our democracy.^x

There is little evidence that school vouchers produce all of these benefits by creaming the “best and the brightest” students or excluding students based on objectionable criteria. One of the largest school voucher programs in the country, the McKay program in Florida, provides vouchers exclusively to students with disabilities. Over 9,000 participants last year were enrolled in private schools that welcome the challenge of educating students with special needs. Almost 93% of the parents in the McKay scholarship program say that they are satisfied with their disabled child’s private school, whereas only 33% of them said that they were satisfied with their child’s previous public school. The state of Florida spends the same amount of money on a given special education student whether they attend a public school or use a McKay scholarship.^{xi}

In our Washington, DC, study, the elementary school voucher students who enrolled in private schools had identical prior test scores to the students who remained in public schools. Although most of the students in the program were Baptist, a majority of them enrolled in Catholic schools. None of the parents surveyed said that their child was excluded from a private school because of their religious denomination.^{xii} Evaluators have confirmed this general lack of creaming in other school choice programs such as Milwaukee's.^{xiii}

Opponents of school vouchers often argue that policy makers should focus on improving the existing public schools instead of encouraging students to exit them via vouchers. The evidence is mounting that such a claim poses a false choice. Educators and administrators appear to become more serious about public school reform precisely *when* they face the prospect of losing students due to vouchers. Studies by both Caroline Hoxby of Harvard University and Jay Greene of the Manhattan Institute for Policy Research^{xiv} demonstrate that public schools facing the greatest threat of losing students via choice produce the highest gains in student achievement. Hoxby concludes that the competitive pressure from school vouchers produces a “rising tide that lifts all boats.”^{xv}

It is not surprising that public schools improve in response to competition from vouchers. For decades scholars have failed to reach a consensus regarding whether or not added spending increases student achievement in public schools.^{xvi} Their conclusion has been that additional funding does not typically increase achievement because the added resources are not always directed towards the sorts of programs and activities that boost student performance. Public schools that face serious competition for students have a strong incentive to use their resources wisely – or else they will lose students and at least some of the resources that go with them. Typical private schools and charter schools that constantly face competition for students produce educational outcomes that are at least as good as, and often better than, comparable public schools while spending 15-40 percent *less* per student.^{xvii}

What about charter schools? The best studies of charter schooling have uncovered results that parallel the conclusions I have presented above regarding voucher programs. Texas A & M researchers Timothy Gronberg and Dennis Jansen conclude that, on average, at-risk students benefit academically if they attend a Texas charter school as compared with a Texas public school.^{xviii} Many charter schools specifically cater to disadvantaged students such as high school dropouts and students with disabilities. When general purpose charter schools are compared to neighborhood public schools, these “untargeted” charter schools demonstrate a modest but statistically significant achievement advantage.^{xix} As with the participants in voucher programs, parents who enroll their children in charter schools tend to be much more satisfied with the education they are receiving.

As an independent scholar who has studied the effects of school choice programs, I am compelled by the evidence to recommend that you expand school choice in any effort to improve the financing and delivery of education in Texas. Such programs are most likely to be successful if they target disadvantaged students, such as those from low-income families, and if the resources that follow the child to their school of choice cover the full expense of educating each student, up to a reasonable ceiling such as \$5,000, which is about 70% of the average per-pupil expenditure in Texas Public Schools last year.^{xx} That way, a large pool of private schools and an

increasing number of charter schools would be accessible to choice students, and their parents would be financially able to keep them in their school of choice so long as it is performing well for that student. The evidence is strong that school choice helps communities to better achieve the important functions of education. Texas policy makers would be wise to enhance the opportunities for school choice in the Lone Star State.

ⁱ See Patrick J. Wolf, William G. Howell, and Paul E. Peterson, "School Choice in Washington, D.C.: An Evaluation After One Year," Working Paper of the Program on Education Policy and Governance, Harvard University, February 2000, PEPG/00-08; Patrick J. Wolf, Paul E. Peterson, and Martin R. West, "Results of a School Voucher Experiment: The Case of Washington, D.C. After Two Years," Working Paper of the Program on Education Policy and Governance, Harvard University, August 2001, PEPG/01-05; both available at <http://www.ksg.harvard.edu/pepg/>; William G. Howell, Patrick J. Wolf, David E. Campbell, Paul E. Peterson, "School Vouchers and Academic Performance: Results From Three Randomized Field Trials," *Journal of Policy Analysis and Management* 21:2, 2002.

ⁱⁱ John F. Witte, *The Market Approach to Education: An Analysis of America's First Voucher Program* (Princeton, NJ: Princeton University Press, 2000), pp. 117-18.

ⁱⁱⁱ Derek Neal, "The Effects of Catholic Secondary Schooling on Educational Achievement," *Journal of Labor Economics* 15:1, 1997.

^{iv} Howell et al, "School Vouchers and Academic Performance..." op. cit.; see also William G. Howell and Paul E. Peterson, with Patrick J. Wolf and David E. Campbell, *The Education Gap: Vouchers and Urban Schools* (Washington: Brookings, 2002), pp. 150-52.

^v Howell et al, "School Vouchers and Academic Performance..." op. cit.

^{vi} John Barnard et al, "Principal Stratification Approach to Broken Randomized Experiments: A Case Study of School Choice Vouchers in New York City," *Journal of the American Statistical Association*, Vol. 98, No. 462, June 2003, pp. 299-323.

^{vii} Alan B. Krueger and Pei Zhu, "Another Look at the New York City Voucher Experiment," Education Research Section Working Paper, Princeton University, Princeton, NJ, March 2003; Michael Apple and Gerald Bracey, "School Vouchers," Education Policy Project, CERAI-00-31, January 24, 2001, www.uwm.edu/Dept/CERAI/edpolicyproject/cerai-00-31.htm; Martin Carnoy, "Do School Vouchers Improve Student Performance?" Economic Policy Institute, Washington, DC, 2001.

^{viii} Jay P. Greene, "Vouchers in Charlotte," *Education Next*, Vol. 1, No. 2, Summer 2001, pp. 55-60; Jay P. Greene et al, "School Choice in Milwaukee: A Randomized Experiment," in *Learning from School Choice*, Paul E. Peterson and Bryan C. Hassel (eds), Washington: Brookings, 1998; Cecilia Rouse, "Private School Vouchers and Student Achievement: An Evaluation of the Milwaukee Parental Choice Program," *Quarterly Journal of Economics*, May 1998, pp. 553-602.

^{ix} Charles Leslie Glenn, Jr., *The Myth of the Common School* (Amherst, MA: University of Massachusetts Press, 1988).

^x For a preliminary review of these studies, see Patrick J. Wolf, "School Choice and Civic Values: A Review of the Evidence," Paper presented at the Annual Meetings of the American Political Science Association, Boston, MA, August 29-September 1, 2002, available at <http://apsaproceedings.cup.org/Site/abstracts/025/025019WolfPatric.htm>

^{xi} Jay P. Greene and Greg Forster, "Vouchers for Special Education Students: An Evaluation of Florida's McKay Scholarship Program," Manhattan Institute for Policy Research, Civic Report No. 38, June 2003, available at <http://www.miedresearchoffice.org>

^{xii} Wolf et al, "Results of a School Voucher Experiment," op. cit., Tables 1, 2, 4.

^{xiii} Witte, *The Market Approach to Education...* op. cit., pp. 58-62; Wisconsin Legislative Audit Bureau, "An Evaluation: Milwaukee Parental Choice Program," 2000.

^{xiv} Jay P. Greene, "When Schools Compete: The Effects of Vouchers on Florida Public School Achievement," Manhattan Institute for Policy Research, Education Working Paper No. 2, August 2003; Jay P. Greene, "The Education Freedom Index," Civic Report #24, Manhattan Institute for Policy Research, January 2002; Jay P. Greene and Greg Forster, "Rising to the Challenge: The Effects of School Choice on Public Schools in Milwaukee and San Antonio," Civic Report #27, Manhattan Institute for Policy Research, October 2002; all available at <http://www.manhattan-institute.org/html/cci.htm#01>

^{xv} Caroline M. Hoxby, "The Rising Tide," *Education Next* 1:3, Winter 2001, available at <http://educationnext.org/20014/68.html>

^{xvi} Gary Burtless, ed., *Does Money Matter? The Effect of School Resources on Student Achievement and Adult Success*. Washington: Brookings, 1996.

^{xvii} Caroline M. Hoxby, "School Choice and School Productivity," in *The Economics of School Choice*, Caroline M. Hoxby (ed), Chicago: University of Chicago Press, 2003, pp. 287-341.

^{xviii} Timothy J. Gronberg and Dennis W. Jansen, "Navigating Newly Chartered Waters: An Analysis of Texas Charter School Performance," Texas Public Policy Foundation, April 2001, available at www.tppf.org

^{xix} Jay P. Greene et al, "Apples to Apples: An Evaluation of Charter Schools Serving General Population Students," Manhattan Institute for Policy Research, Education Working Paper No. 1, July 2003, available at <http://www.manhattan-institute.org/html/cci.htm#01>

^{xx} National Center for Education Statistics, "Fiscal Year 2002 Education Expenditures in Texas Public School Districts," Washington: U.S. Department of Education.