

# School Choice

## Abundant Hopes, Scarce Evidence of Results



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Policy Analysis for California Education  
University of California, Berkeley and Stanford University

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# EXECUTIVE SUMMARY

It's difficult to find anyone who is happy with public education. From your neighbor next door to our political leaders, everyone is eager to reform the schools. Polls show that even if we are satisfied with our elementary school down the street, we are distressed about the quality of public education overall.

This is where the consensus begins and ends. Contention arises immediately over the next question: What's the best strategy for improving the public schools? What policies and long-term institutional changes can be implemented that will steadily boost children's learning? This PACE report focuses on school choice—one avenue of reform which has gained considerable steam in California and nationwide.

## Competing Visions of School Reform

Choice is founded upon a human-scale theory of accountability. Give parents the option to exit their neighborhood school and shop from a wider variety of alternatives. Or, bypass the school system entirely and give public dollars directly to parents via vouchers, boosting their purchasing power. Then, school principals and teachers—if the theory's underlying assumptions are met—become directly accountable to parents, not to school boards or state education agencies. This market competition for parents, enacted by a more diverse set of schools, will raise the quality of public education.

This report illuminates various forms of school choice that have sprouted and grown over the past four decades. Choice is not a new issue. But a thousand flowers have blossomed in recent years: charter schools, magnet schools, and open enrollment programs are flourishing, often unable to keep pace with parents' thirst for more options. Pro-choice financing plans are being tried in a few states, including tuition tax credits and school voucher experiments. We describe how these choice mechanisms are supposed to work and what we know about their actual effects on children, parents, and local educators. One key finding is that the claims made by advocates of choice programs far exceed the hard evidence required to judge actual results. Yet sound evaluation findings are beginning to emerge.

A very different reform strategy—also aimed at holding local schools more accountable for meeting higher standards—has attracted a competing set of advocates in recent years. Governors in Illinois, North Carolina, and Texas, among others, have attempted to raise achievement standards by assessing which schools are pushing children's learning curves upward and sanctioning those that fail to meet the mark.

The thesis is that local school boards have not held their schools sufficiently accountable. It's time for state capitals to show leadership and push local educators to do better, according to these advocates. This involves a new commitment to quality and new public resources to empower teachers and principals to stretch and improve their performance. The key is not to further decentralize public accountability but to situate stronger

expectations and increase higher public investment at the state level. California's governor, Gray Davis, is banking heavily on this second reform strategy.

We are not suggesting that state-led accountability and wider school choice are mutually exclusive reform strategies. Leading advocates—from different partisan positions—have argued that government should set common curricular outcomes and then local schools should have greater discretion in arranging “inputs” and pedagogical strategies to accomplish these learning goals. Similarly, some efforts to tighten accountability have highly decentralized components, such as Governor Davis' plan for teacher peer evaluation, school by school. At the same time, decentralized choice programs can lead to increased regulation of parochial schools, as we are seeing in the Cleveland voucher experiment.

Our opening point is simply that school choice, as one avenue toward reform, must be placed in context. Its most promising competitor is state-guided accountability programs. These alternative approaches offer sharply contrasting roles for state government, school boards, and school principals. The two strategies are founded upon different theories of action: *how* accountability can be most directly strengthened, *who* sets learning goals, and *where* authority is situated (parents or government) to sanction mediocre schools and teachers. In short, it is illuminating to compare the decentralizing basics of school choice with the centralized accountability approaches to which a rising number of states are committed.

We must emphasize that the evaluation evidence on state-guided restructuring of schools is no more plentiful than sound research on school choice. As with past generations of school reform, new policy directions and fresh programs far out-distance steady efforts to evaluate what works.

### **School Choice Is Already Widespread**

Over the past 25 years, choice has come to inhabit much of the educational landscape. One fifth of all children—about seven million nationwide—no longer attend their neighborhood public school. In the Fall of 1999 almost one-half-million California students will participate in public choice options, about nine percent of the state's enrollment. Another ten percent will continue to attend private schools. Affluent and working-class families are most likely to exit their neighborhood school. Some of these children can afford to attend elite private schools. Many blue-collar parents send their youngsters to parochial schools or public magnet programs. In between, surveys find that the bulk of suburban parents are fairly satisfied with their nearby neighborhood school.

As we describe the five types of choice programs available to families nationwide, you will see that the policy makers have responded to parents' desire for options beyond their neighborhood school. Evidence of excess parental demand for choices continues to grow in many urban areas, notably in Los Angeles where open enrollment slots in desirable schools are becoming more scarce, relative to rising demand.

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But do schools participating in choice programs—from magnet programs to charter schools—look all that different inside? In other words, are we realizing truly different, more colorful varieties of schools? Does market competition lead to more effective forms of schooling, that is, are children learning more in “choice schools”? What types of families are served best by this new education marketplace, and who is left behind under new market rules? These are the central questions addressed in this report.

At the heart of the choice debate is the difficult question of whether public schools can effectively advance fundamental public interests: offering all children a common core of knowledge, widening opportunities for all, reducing inequality, and enriching democratic participation locally. Or, can taxpayer dollars reap stronger returns by advancing the private purposes of education through a decentralized archipelago of independent schools? If government becomes less involved in setting higher standards or in regulating low-performing schools, will the direct market demands expressed by some parents ensure that all schools endeavor to improve?

### **How Do You Feel about Choice?**

This report aims to inform your own view of school choice. For strident advocates with hard positions, our review of the research won't change many minds. But many educators, parents, civic and business leaders are simply unsure. Choice unites rather strange political bedfellows: from business leaders, to religious leaders who seek public monies for church-operated schools, to founders of ethnocentric schools seeking to build stronger cultural identity.

PACE's approach is to be clear on the ideals and policy aims wrapped up in the school choice movement. We also strive to illuminate the assumptions and organizational mechanisms which underlie how choice is *supposed* to work to better schools. And we are religiously committed to grasping the evidence at hand, and building more rigorous evaluation efforts aimed at informing the public about the effects of choice programs.

In short, we hope to inform how you feel about choice—with abundant attention to the different kinds of choice that currently operate, gray areas where a combination of government oversight and market dynamics may work, and empirical assessment of how children and parents may, or may not, benefit from choice.

### **Five Renditions of School Choice**

This report offers a tour through five different forms of school choice. We detail the claims, scope, and known effects of these programs. This analysis aims to assess whether the claims of advocates have come to pass, almost a half-century after the movement's birth. PACE also shares an interest in trying to improve the effectiveness of the diverse schools that the movement has fueled and to ensure equal access by all families to this mixed market. We focus on California but also report on related programs and evaluation evidence from across the nation.

The five renditions of choice on which we report:

- **Magnet schools** offer programs with a distinct curricular focus, promising to build coherent and warm school communities comprised of teachers and students who share particular interests. Two sound empirical studies have now shown significant learning gains among magnet school students, relative to similar children in urban settings. Magnet programs typically spend more per pupil than neighborhood schools and often attract more highly qualified teachers. Beyond these factors, it's not clear why magnet programs appear to yield positive effects.
- **Open enrollment** allows parents to enroll their child in a public school outside their immediate neighborhood. Parents participating in unregulated transfer programs tend to be better educated, more often white, and more affluent than families who remain in neighborhood schools. Parental demand for open enrollment slots, however, is strong in many central cities, including parts of Los Angeles and San Francisco. We could find no hard evidence on whether this choice option lowers drop-out rates or raises student achievement. Nor have evaluation designs, to date, tracked how competitive pressures linked to open enrollment encourage public schools to improve.
- **Charter schools** are supported by public monies but operate semi-autonomously from local school boards. The number of charter schools has grown rapidly in California since this option was legislated in 1992. Some innovative schools have emerged. Evidence consistently shows that parents are more satisfied after choosing a charter school than with their prior neighborhood school. Evaluations of whether charter schools boost student performance are few in number and often flawed.
- **Voucher experiments** provide public or private money for children who enroll in a secular or religious private school. Initial findings suggest that low-income children who remain in voucher programs over a few years do somewhat better in mathematics but not necessarily in reading, compared to similar students or control groups enrolled in neighborhood schools. These findings came from a small number of Milwaukee private schools. Recent findings from New York City are more consistent across grade levels, raising voucher students' achievement by a few percentile points on average. Participating private schools have smaller classes, better facilities, and greater supplies of textbooks. Self-selection by eager families to apply for and win a voucher is likely correlated with positive home practices that boost their children's learning. This makes it difficult to attribute any achievement advantage of voucher students strictly to their participation.
- **Tax credits** that offset the cost of enrolling one's child in a private school now exist in a few states. This mechanism has been in place since 1997 at the federal level for subsidizing college tuition costs. These credits typically benefit affluent parents who have a significant tax liability and pay high tuition for private schools. They have no effect for low-income families who do not pay taxes. We could find no evidence to support the argument that tax credits spur the creation of more private school spaces or higher quality public schools, stemming from market competition.

## Bright Hopes, Empirical Darkness

The promise of school choice is irresistible: wider options for parents and a more diverse array of schools. We do find evidence of institutional diversification. Innovative and mostly small schools are being nurtured by magnet and charter initiatives. Vouchers move public monies to private and religious schools. But it's not clear that vouchers or tax credits spur innovation or any discernible change in the effectiveness of private schools. Early studies show promising, though modest, achievement effects for some local programs, especially for magnet programs and two small voucher experiments.

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Will political leaders and education interest groups pause to support long-term research on choice and pay careful attention to emerging findings?

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Perhaps in a democratic society parental demand is a sufficient reason to channel taxpayer dollars into new forms of schooling. Parents' thirst for safer, more innovative or effective schools is clearly contributing to policy action around the choice issue. But is there not also a public interest in more carefully determining whether children actually learn more when they attend a charter school or use a voucher to enroll in a parochial school? Will political leaders and education interest groups pause to support long-term research on choice and pay careful attention to emerging findings? This PACE report builds on our faith that they will.

Finally, the simultaneous push for school accountability from state capitals *and* the decentralization of governance via choice is leading to costly contradictions. We urge policy makers and local interest groups to think about accountability reforms along side the desire to spawn more diverse forms of schooling. For example, the overcrowding of school facilities, resulting in part from California's class size reduction initiative, has led to fewer open enrollment slots in urban districts. San Francisco faces a related issue as new magnet schools are attracting neighborhood families. On another front, placing charter schools under the state's testing and accountability system could stifle real innovation. Remedies for these countervailing forces are not easy. But these contradictory policy thrusts must be addressed more carefully at all levels of school governance.

We conclude this report by summarizing major findings and recommending specific policy action and research. We aim to enrich the debate over choice while advancing the positive effects felt by children and their families.