Trends in School Choice and the Privatization of Education

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Since 1990 there has been steady growth in the privatization of education

- Voucher programs can be found in 6 states and the District of Columbia and tuition tax credit programs in 7 states
  (Alliance for school choice, 2007; Huerta & d'Entremont, 2007)

- Education management companies (EMOs) and charter school organizations (CMOs) have franchised school models nationally

- More than 1 million students are currently home-schooled, up from 300,000 students in 1988 (Stevens, 2001)

- More than 1 million students attend 4,000 charter schools in 40 states and the District of Columbia (Center for Education Reform, 2007)

- Federal law now mandates that students attending schools that fail to make adequate yearly progress (AYP) be provided with new schooling options and access to tutoring services
Privatization: Theory

- Supporters of privatization assume that increased choice will spur competition and innovation and produce cost-efficient ways of improving student achievement.

- BUT, recent experiences have raised questions about whether programs can be generalized or succeed on a large scale.
In short, the 1990’s also showed that it is not easy to outperform public schools

- No easy administrative savings
- No demonstrably superior pedagogy
- Few economies of scale (i.e. franchising is not easy)
- Competitive response from public schools
- Additional costs in marketing, establishing brand equity, politicking and building partnerships

A review of all available evidence suggests that competition has a positive, but often insubstantial impact on student achievement
Think of introducing a market as pulling on a rubber band…

The key is to reduce the pull of “struggling schools” without snapping the rubber band and disrupting the whole system.
Question: Do the benefits of privatization outweigh the costs?
A comprehensive framework for evaluation

(National Center for the Study of Privatization in Education, 2007)

- **Analytic Framework**
  - *Freedom of Choice*: Does the program offer parents choices?
  - *Efficiency*: Does the program use cost-effective strategies?
  - *Equity*: Does the program provide equal access for all children?
  - *Social Cohesion*: Does the program promote citizenship?

- **Questions for implementation**
  - *Finance*: How will the program be funded and how will shifting dollars impact students and schools?
  - *Regulation*: What are the eligibility requirements and how will education providers be monitored and assessed?
  - *Support Services*: What services, such as transportation or information dissemination, are needed to ensure success?
Another way to think about this...
What are the financial costs?

- New educational programs create new expenditures and rarely lead to cuts in established educational programs

- Functional costs
  - Per-pupil allotments for participating students
  - Infrastructure (i.e. enrollment lotteries, application process, the transfer of student records, etc.)

- Regulatory costs
  - New state and district employees to oversee choice programs
  - Extension of accountability system to include new schools

- Social Services Costs
  - Community engagement
  - Transportation
  - Adjudication
What are the legal costs?

- Most privatization initiatives have been challenged in court for three reasons
  - States must provide a uniform education to all students
  - Public money can only be used for public purposes
  - Public money cannot be used to fund sectarian institutions

- Recent Developments
  - Milwaukee and Cleveland: same language, different result
  - Zelman Decision: vouchers do not violate the 14th Amendment
  - Colorado: vouchers unconstitutional, attack on local control
  - Florida: a state funded, uniform system of public education
  - The Blaine Amendment: the separation of church and state has not been fully addressed in voucher legislation.
What are the political costs?

- Few initiatives have been successful at the state and federal level
  - Supporters of public schools are highly organized and well-funded (i.e. teachers unions)
  - Supporters of privatization are often fragmented and associated with different political parties

- Policymakers have shown only a passing interest in choice reforms
  - A survey of six states found that a minority of policymakers (48%) support voucher reform
  - More importantly, vouchers were considered the least important reform out of 11 possible initiatives
  - Two-thirds of respondents who supported targeted voucher programs preferred NO voucher program to universal vouchers

- Recent Developments
  - Florida’s A+ Opportunity Scholarship Program
  - Arizona’s Corporate School Tuition Organization Tax Credit
  - Utah’s Carson Smith Special Needs Scholarship
But let’s not forget…

- Privatization is appealing for two reasons
  - Traditional public schools have struggled to properly educate low-income and minority students, especially in urban areas
  - School choice provides families with new schooling options and access to better educational services

- We cannot ignore the fact that substantial support exists for schools of choice among historically marginalized populations
Costs may be minimized in three ways

1. Reduce political and legal objections
   - Ex.) Tuition tax credits instead of vouchers
     - Universal access and business can participate
     - Are used for a wider range of activities (music, sports, tutoring)
     - Minimize the relationship between government and religion

2. Appeal to pre-established markets
   - Ex.) “niche” charter schools
     - (cyber, home-school, HS dropout, performing arts charters)

3. Privatize select educational processes
   - Ex.) NCLB and private SES providers
     - Often requires a period of trial and error
Or, consider the charter school alternative

- Widespread support for charter school reform
  - Arizona
  - California
  - Massachusetts

- Conservatives value
  - Increased emphasis on choice and local control
  - An important step towards privatization

- Liberals value
  - Increased resources to struggling school districts
  - More students access high-performing schools
  - Continued commitment to public education
Finally, be aware of unresolved tensions

- Suburban voters value public schools and resist polices that threaten local authority and redistribute local resources.

- Large scale school choice policies are likely to produce the following consequences:
  - Erase municipal boundaries
  - Dissolve neighborhood ties
  - Lower housing prices
  - Upset student enrollments