
Trends in School Choice and the Privatization of Education

Chad d'Entremont

**National Center for the Study of Privatization in Education
Teachers College, Columbia University**

www.ncspe.org

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
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Privatization: Theory

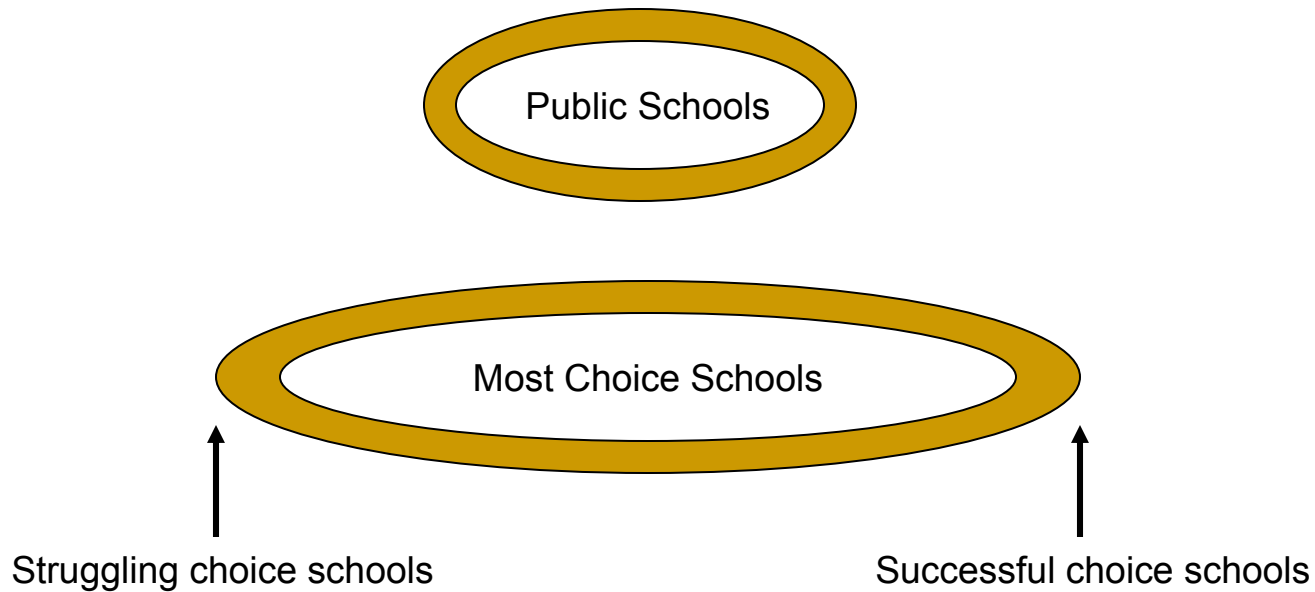
- Supporters of privatization assume that increased choice will spur competition and innovation and produce cost-efficient ways of improving student achievement.
 - BUT, recent experiences have raised questions about whether programs can be generalized or succeed on a large scale.
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In 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
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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.
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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
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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
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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
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Finally, be aware of unresolved tensions

- Suburban voters value public schools and resist policies 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
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