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Lessons for Improving Ohio's EdChoice Voucher Program

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In order to draw lessons on how to improve Ohio's new EdChoice voucher program, this report looks at the processes for participating in the Milwaukee and Cleveland voucher programs. It finds that the designers of the EdChoice program have clearly learned from Milwaukee's simple and easy voucher participation process. EdChoice makes vast improvements over the Cleveland program, which is burdened by a number of unnecessary obstacles.

However, there are still important ways in which the EdChoice program can be made easier to use. Unlike the Milwaukee program, EdChoice requires parents to apply during a relatively short period of the year. This burden is compounded by the fact that families' eligibility for vouchers is based on the changing academic performance of individual public school buildings, so parents will not necessarily know right away whether they are eligible. EdChoice would provide much more access to educational freedom if it were made a city-wide program with rolling admission throughout the year, as is the case in Milwaukee.

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Why the Participation Process Matters

School choice is more than just a policy; it needs to be a practical process as well. Legislation can create a program, but the implementation is carried out by state bureaucracies, private organizations and individuals. If the procedures for participating are onerous or confusing, they can create barriers that will keep some parents out of the program. If parents can't easily participate in a school choice program, then the program isn't extending school choice as much as it could be. Parents who have an option that's hard to exercise are better off than parents who have no option at all. But fewer parents will use the option if it's harder to use, and that means fewer children getting into the schools that are better for them.

The Cleveland Process: Barriers

Children in grades K-8 who live in the city of Cleveland are eligible for the city's voucher program. The maximum value of the voucher is \$3,450, or a defined portion of the private-school tuition, whichever is lower. Families with incomes below 200% of the poverty level can use the voucher for up to 90% of their private school tuition; other families can use it for up to 75%. Participating families are responsible for making up the remainder of the tuition themselves, either with their own funds or by volunteer work at the school. Children with special needs can receive larger scholarships based on their need. A total of 5,675 students used the voucher in 2004-05, or about 8% of all eligible students.

Parents must apply between December and July to enroll in the voucher program for the following fall. Parents fill out a form and mail it (faxes are not accepted) to the state's Office of School Options. Because parents must apply through a government office rather than through a private school, they are dealing with people who do not have as strong an incentive to help them with the process. Private schools have an obvious reason to be motivated to help parents deal with the process, overcome any obstacles or confusing situations that may arise, and get into the program. A government office, while it

may faithfully carry out its mandate to implement the program, has no particular incentive motivating it to help parents when difficulties arise. Also, requiring parents to apply through the mail significantly increases the time and uncertainty of the process.



The Friedman Foundation: Using School Choice

The application form is seven pages long, and is reasonably clear, compared to the forms used in some school choice programs in other states. However, it asks for more information than is strictly necessary. For example, it asks for the name and Social Security number of every household member and that member's relationship to the child. There is no legitimate reason for the program to ask for Social Security numbers, potentially making it harder for a child to get access to school choice because someone else in the household (perhaps a grandparent, an uncle, or some other non-immediate relative) may not have a Social Security number. Providing the Social Security numbers is not technically required for participation, but this fact is not clearly indicated on the form, and most applicants are not likely to be aware of it. The form also asks for two emergency contacts, the family's household income, the student's current school and the student's birthplace and race. Asking for the student's birthplace and race is unnecessary for the administration of the program.

Parents also must include two documents verifying their residence in Cleveland, all tax forms for all household members, documentation of welfare and

Social Security income for all household members, and a birth certificate. These requirements, while they do somewhat increase the burden of applying to the program, are necessary to establish the family's eligibility for the program and whether it qualifies for the favorable treatment accorded to families below 200% of the poverty level. There is no obvious way this aspect of the procedure could be improved. The only reform that could be made consistent with the program would be to allow families above 200% of the poverty level to forego the submission of their tax forms, since they are not applying for favorable treatment. On the other hand, having a different application procedure for different kinds of applicants may create unnecessary confusion, and thus may be counter-productive.

Among Cleveland parents who got vouchers but didn't use them, 44% incorrectly believed that their applications for vouchers had been turned down.

Parents need not re-apply to continue participating once their children are in the program. Voucher checks are mailed to the private schools at regular intervals. A parent must come in to the school and sign the check over to the school. This is the general practice in voucher programs; mailing the checks to the schools makes things easier on parents and makes it more likely that checks lost in the mail will be noticed quickly.

This process is not the worst among the nation's school choice programs, but it is more difficult than most. In the Friedman Foundation report *Using School Choice*, it was rated "fair," tied with one other program and ahead of two others that were rated "poor," but behind ten programs rated "good" or "excellent."

In addition to the imperfect application process, there were clearly serious breakdowns in the implementation of the program that denied many parents access to choice. When the program began, a substantial number of parents who applied for

vouchers and received them did not end up using them. A survey of these parents found that 44% of them believed, incorrectly, that their applications had not been approved and they had not been offered a voucher. No one had ever contacted them to tell them their applications had been approved (see Jay P. Greene, William G. Howell, and Paul E. Peterson, "Lessons from the Cleveland Scholarship Program," in *Learning from School Choice*, ed. Paul E. Peterson and Bryan C. Hassel). While low-income families are more mobile and thus more difficult to contact, a 44% failure rate goes far beyond what can reasonably be attributed to family mobility. The state agency administering the program simply failed to do its job properly.

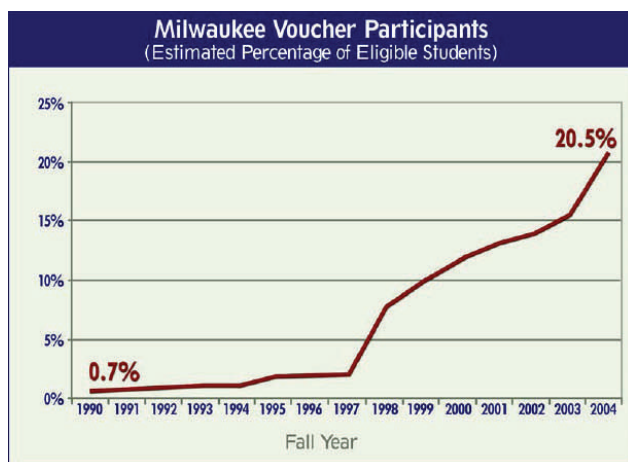
The Milwaukee Process: An Easier Way

Children who live in the city of Milwaukee and whose household income is below 175% of the poverty level are eligible to use the city's voucher program. The maximum value of the voucher is equal to either the amount the state government spends per pupil on Milwaukee public schools (not including local and federal spending), which was \$5,943 in 2004-05, or the full amount of the private school tuition, whichever is lower. A total of 15,035 students, or about 21% of all eligible students, used the program in 2004-05.

There is no set deadline to apply to the program; students are admitted on a rolling basis throughout the year (participating private schools may choose to accept students only during certain periods if they wish). Parents fill out a form and turn it in at the private school they wish to attend. The form is available on the Web, so parents can obtain it for themselves; this also allows participating private schools to have hard copies available for parents on demand. Parents can just fill out the form at the same time they come in to apply for admission to the private school. The school takes care of sending the form in to the state and making sure the application for participation in the program is processed. This allows schools to serve as parents' liaison to the state,

keeping on top of things for the parents to ensure that any problems that occur are cleared up.

The application form is one page long, and is clear and easy to fill out. In addition to contact information, it asks for the child's grade and previous school, and the size of the household. It then asks five simple yes-or-no questions that establish the child's eligibility for the program, most importantly whether the household's income is below the poverty level for a household of its size. No other information is requested on the form.



The Friedman Foundation: Using School Choice

Parents must provide a tax return to document both income level and proof of residence in Milwaukee. They need not provide all their tax forms (W-2s, etc.) as in Cleveland, nor need they provide supporting documentation of welfare and Social Security income; only the tax return is required. Parents also have the option of documenting their expected income in the current year rather than providing the previous year's tax return if this will make them eligible for the program.

As in Cleveland, voucher checks are periodically mailed to the private schools, which parents must come in and sign over to the schools. Parents need not re-apply to continue participating once their children are in the program.

The Milwaukee participation process is the easiest of all voucher programs in the nation. It was rated "excellent" in the Friedman Foundation report *Using School Choice*.

The Ohio EdChoice Process: Much Better than Cleveland

The Educational Choice Scholarship Program was created in 2005, and has completed its first round of applications. A second enrollment period is scheduled for July 21st to August 4th, 2006. This program offers vouchers to students in chronically low-performing schools across the state (excluding Cleveland, since that city has its own voucher program). Beginning in the 2006-07 school year, students in school buildings that have been given one of the state's two lowest academic performance ratings, Academic Emergency or Academic Watch, for three consecutive years will be eligible for a voucher. The voucher will be worth \$4,250 for grades K-8 and \$5,000 for grades 9-12. Currently, there are about 2,500 students who have applied, or roughly 5.5% of those eligible to participate.

In this initial year, the application period for the program was from April 1st through June 9th for enrollment in the fall. As in other voucher programs, parents apply for admission to an eligible private school first. Once the student has been accepted, the staff at the private school, with the written permission of the parents, completes a one-page online form that is part of the Department of Education's website. According to the rules promulgated by the Department of Education, this one-page form requests the following information: contact information, proof of attendance at a school where students are eligible to participate, and "an indication" that the student's family income is at or below 200% of the federal poverty line (such students are given priority status if there are more applications than vouchers available).

While parents do not need to reapply to continue participating once their child has been accepted into the program, there are three rules that students must

follow in order to stay in the program. These rules require that each student may not move to another school district or be absent for more than 20 days in a school year without a doctor's note, and must take the Ohio standardized tests.

How EdChoice Can Be Improved

It is clear that the designers of the new Ohio EdChoice voucher program have learned many of the right lessons from the Cleveland and Milwaukee programs. The very simple application, the fact that the application is online, and the private school's filling it out on the parents' behalf all represent a tremendous improvement on the difficult Cleveland process.

A better way to run this program would be to learn from Milwaukee and make EdChoice a city-wide program in Ohio's major urban areas.

However, some barriers remain for the EdChoice program. First, the application period for the initial year of implementation was far too short. The Milwaukee program provides a superior method by allowing for rolling admissions throughout the year. Private schools are already charged with completing and filing parents' applications; they should be allowed to determine when they wish to accept such students as well. If they're comfortable enrolling a new student the day before classes start, there is no reason for the state to object. The public school system manages to handle the logistics of children moving from one public school to another in the middle of the year when families move to different neighborhoods, so it has no excuse for not being able to handle mid-year movements into the voucher program.

Second, one reason the Milwaukee program has grown so rapidly is that there are no problems knowing who is eligible – it is a city-wide program with only an income requirement. The EdChoice program makes it much harder to know who is eligible in any given year. With eligibility based on the changing academic

performance of individual school buildings, eligibility for the voucher program will shift from year to year. The relatively short window of opportunity to apply compounds the problem – if parents don't realize they are living in a voucher-eligible neighborhood soon enough, they lose their eligibility when the application deadline passes.

This issue turned out to be a major problem for the A+ voucher program in Florida. That program had an even shorter application window (only two weeks) and, like the EdChoice program, eligibility was based on the year-to-year academic performance of individual public school buildings. No one knew who was eligible for vouchers until the moment school grades were released and the clock started ticking on the application period. Since the state is more interested in publicizing its successes than its failures, there was little effort to make sure parents heard quickly about how their local schools had failed and they were eligible for vouchers. Most parents probably didn't know they were eligible until after the application deadline had passed. As a result, participation rates in the program were poor – it was the only school choice program anywhere in the nation where enrollment as a percentage of eligible students actually declined over the long term.

Without changes, the same fate could befall EdChoice. A better way to run this program would be to learn from Milwaukee and make EdChoice a city-wide program in Ohio's major urban areas. This would ensure no one has problems identifying in a timely manner who is eligible for vouchers. This would also make a Milwaukee-style rolling admission policy more feasible for parents, schools, and the Department of Education administrators overseeing the program.

The ultimate goal of the EdChoice program is to provide students in chronically failing schools with a choice. If parents can't easily participate in a school choice program, it's not really providing much of a choice at all.

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Greg Forster is a senior fellow and the director of research at the Milton and Rose D. Friedman Foundation, where he conducts research and writes about school choice policy. He has conducted empirical studies on the impact of school choice programs in Milwaukee, Florida and Texas, as well as national empirical studies of participation in school choice programs and the impact of charter schools. He also has conducted empirical studies of other education topics, including accountability testing, graduation rates, student demographics and special education.

His research has appeared in the peer-reviewed publications *Teachers College Record* and *Education Working Paper Archive*, and his articles on education policy have appeared in the *Washington Post*, the *Los Angeles Times*, the *Philadelphia Inquirer*, the *Chronicle of Higher Education* and numerous other publications. He is co-author of the book *Education Myths: What Special-Interest Groups Want You to Believe about Our Schools – and Why It Isn't So*, from Rowman & Littlefield.

He received a Ph.D. with Distinction in political science from Yale University in 2002 and a B.A. *summa cum laude* from the University of Virginia in 1995. His book *John Locke's Politics of Moral Consensus* was published by Cambridge University Press in 2005.

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