

The Importance of School Choice and Educational Alternatives For Furthering School Reform in Ohio

Written Testimony Provided to the

Ohio House Education Committee
Alternative Education Subcommittee

by

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Chairman Peterson, Rep. Woodard, Vice Chairman Seaver, and members of the subcommittee, thank you for giving me this opportunity to discuss the importance of alternative education as part of Ohio's education reform efforts.

Given term limits, I'm not sure if you are aware of The Buckeye Institute's lengthy and deep commitment to education reform in Ohio. Education reform has been a core part of the Institute's mission since it was founded in 1994. We were among the organizations that provided expertise, analysis, and testimony before the Ohio House and Senate during the debate (in 1995) that eventually established the Cleveland Scholarship and Tutoring Program and, in 1997, community school legislation.

In addition, we have written extensively on school funding issues in the context of *DeRolph vs. State* as well as funding reform as an integrated component of systemwide public school reform.¹ The Buckeye Institute's research on school funding and the Cleveland school voucher program has been cited by the U.S. and Ohio Supreme Courts.

I. Competition in Public School Effectiveness

Let me spend a few minutes discussing our current interest in education alternatives. The Buckeye Institute is a strong proponent of encouraging and supporting stronger parental involvement in education, more diversity in

¹ *Children First: A Discussion Paper on Public School Finance and Education Reform in Ohio* (Columbus, Ohio: The Buckeye Institute for Public Policy Solutions, November 1997), <http://www.buckeyeinstitute.org/Policy%20Reports/white.pdf>

educational opportunities for all Ohioans, and competition among schools to improve the quality of education in Ohio. We believe competition is essential to Ohio's reform efforts because the fundamentally change the "rules of the game" in education and create incentives for innovation and educational diversity.

Our perspective is not just ideological. It is also programmatic and grounded in research.

II. School Spending and "Inside the Box" Reforms

Among The Buckeye Institute's first research studies were reports examining school funding equity and the relationship between school spending and student achievement.² We found in Ohio what many academic researchers have found across the nation—the relationship between public school spending and student achievement is virtually zero.³

While many in the traditional public school system have criticized these results—even though they are robust and confirmed through multiple trials by multiple researchers—a far more important relationship is rarely discussed.

At the risk of being overly general, student achievement is determined by two broad types of factors

- school inputs—teachers, administrators, and facilities; and
- external influences largely beyond the control of the school—family income, neighborhood quality, and parental commitment to education.

The academic research shows conclusively that external factors are far and away the most important influences on student success. In other words, school inputs are a very small part of the equation. My experience reviewing (and carrying out) these studies suggest that just 15-20% of student achievement can be explained by school inputs; 75-80% is explained by external factors. *This is true for suburban schools as well as urban schools.*

² See, for example, Samuel R. Staley, "Public School Failings Shouldn't Be Blamed on Inadequate Spending," *Perspective on Current Issues* (Columbus, Ohio: The Buckeye Institute for Public Policy Solutions, June 15, 1995). This built on work sponsored by The Buckeye Institute's predecessor organization, the Urban Policy Research Institute. See Marjorie C. Davies, "Revitalizing Public Education: An Innovative Proposal for Choice," *Cities and Villages* (March 1991).

³ *Public Choices, Private Costs: An Analysis of Spending and Achievement in Ohio Public Schools* (Columbus, Ohio: The Buckeye Institute for Public Policy Solutions, September 1998); Erik A. Hanushek, "Assessing the Effects of School Resources on Student Performance: An Update," *Education Evaluation and Policy Analysis* 19, no. 2 (Summer 1997); pp. 141-164; Richard Vedder, Joshua Hall, and Michael Melander, "Determinants of Ohio Student Performance," Ohio University Department of Economics Working Paper (January 1998).

In our view, one of the most important tasks of education policy is to make schools more effective—increasing the share of student success attributed to the school and not external factors.

III. “Outside the Box” Reforms

If we stay “inside the box”—looking for solutions without changing the fundamental framework in which public schools operate—we will not be able to significantly increase student performance.

We believe a key component of school reform in Ohio must be expanding the competitive environment in which all schools—public and private—operate. Thus, we believe

- ✓ community schools are an important part of the solution;
- ✓ school vouchers are part of the solution;
- ✓ traditional public schools have an important role to play, although their influence may be smaller than we see in the current school environment.

IV. Competition, Diversity, and School Effectiveness

We increasingly see empirical evidence in Ohio and elsewhere that competition works and can be effective. For example, even members of the Milwaukee school board acknowledge that the publicly funded voucher program was instrumental in encouraging meaningful school reform in their city.

This evidence is not just anecdotal or case analysis. Strong empirical evidence exists by researchers from Harvard University to The Buckeye Institute have shown that competition from private schools as well as among public schools improves student achievement in public schools.⁴

Alternatives to traditional public schools are also popular among parents. A report The Buckeye Institute is releasing today, *The Case for Community Schools in Ohio*, reveals that

- Parents sending their children to community schools are twice as likely to say they are very satisfied with their school than traditional public school parents.

⁴ Joshua C. Hall and Richard K. Vedder, “The Impact of private Schools on Public School Performance: Evidence from Ohio,” *Journal of Economics and Politics*, vol. 16, no. 1 (2003-04), pp. 77-92; Samuel R. Staley and John P. Blair, “Quality Competition and Public Schools: Further Evidence,” *Economics of Education Review* (June 1995), pp. 193-98; Jim F. Couch, William F. Shughart, and Al L. Williams, “Private School Enrollment and Public School Performance,” *Public Choice* 76 (August 1993), pp. 301-312.

Community schools, our report finds, are also a cost-effective way to experiment with alternative ways of teaching our children.

- Community schools teach children at a significantly lower cost;
- Community school enrollment actually results in a net increase in funding per pupil in large urban districts because local revenues are spread over the same tax base.

Community schools, however, are only one option.

This committee should also look at ways current regulations hamstring public schools and their ability to meet customer needs—either parent concerns or the individual learning needs of children. We learned early in the Cleveland voucher experiment, for example, that parents moved to private schools because they believed the Cleveland public schools were not responsive to their needs. District-wide collective bargaining agreements also hamstring diversity and flexibility because they impose a one size fits all approach to teaching in the classroom.

V. Child-Centered Education Reforms

By encouraging more flexibility within current public schools along with strong incentives to focus on the individual learning needs of children, we can move toward a more “child-centered” approach to education. We believe this will be a crucial building block to successful education reform and create a higher performance education system statewide.

Among the alternatives the committee can and should explore are:

- Expanding community schools
- Expanding public school vouchers
- Reducing school size, particularly high schools
- Breaking up or decentralizing large school districts
- Further encouraging conversions of traditional public schools to community schools

In the long run, we believe the state must fundamentally rethink the way it approaches education in Ohio. Ohio’s constitution requires the state to ensure an adequate level of funding for a statewide system of common schools. This mandate, however, does not imply that state or local governments must actually run and operate most of those schools, or that those schools must use the same educational approaches.

Thank you for this opportunity to appear before your committee, and I would be happy to answer any questions you might have or respond to any comments.