

November 27, 1985

THE EQUITY AND CHOICE ACT: VOUCHERS TO GIVE THE POOR AN EDUCATION OPTION

INTRODUCTION

As the federal role in education has increased, the right of parents to make key educational decisions has diminished. For affluent Americans, who have the means to pay for the right to choose, this has been no more than an expensive irritant. For low-income parents and their children, it has been a disaster.

To address this inequity, at least in part, U.S. Secretary of Education William Bennett has proposed The Equity and Choice (TEACH) Act of 1985, the Reagan Administration's long-awaited proposal to inject parental choice into the federal government's compensatory-education program (Chapter I). Senator Orrin Hatch (R-UT) and Congressman Patrick Swindall (R-GA) are the bill's chief sponsors.

TEACH will encourage the experimentation and innovation needed to address the problems of disadvantaged students, and provide a major boost to self-help education efforts in America's minority communities. Congress should schedule hearings soon on this important measure.

BACKGROUND

The federal compensatory-education program (now known as Chapter I) was originally Title I of the landmark Elementary and Secondary Education Act (ESEA) of 1965. Considerable research and writing in the early 1960s had prepped the political environment for an unprecedented federal intervention into classroom instruction for poorer Americans. Probably foremost among these writings was Michael Harrington's 1963 The Other America, which argued that poverty was widespread in

America. He contended that poverty was "structural" and "hereditary," that is, that the economic system actually caused it and assured that successive generations would be mired in it. If true, then to many it made sense for the federal government to fund an education program to compensate for the country's economic system.

Another prominent educator, Harvard's James Conant, sought to link poverty and slums to school dropout rates and low per-pupil expenditures.¹ Frank Riessman brought the term "disadvantaged" into the public arena.² And researchers J. McVicker Hunt and Benjamin Bloom³ insisted that environment plays crucial importance, especially in the early childhood years, in intellectual development.⁴

These analyses provided powerful momentum for a campaign to mobilize federal resources for education. The National Education Association, among other education interest groups, long had lobbied for general federal aid to education. Title I of ESEA broke the historic barrier against federal involvement in classroom instruction, even though it was limited to a program of categorical aid only to a certain group, the economically disadvantaged.

Title I contained political and programmatic mandates to keep federal funds and federally funded activities (including teacher salaries) quite separate from all instruction planned, funded, and carried out by local school authorities. Title I/Chapter I, in other words, has never had the characteristics of a block grant, where federal and local funds can be used in concert. Its purpose always has been to provide extra instruction for children from socially and economically disadvantaged backgrounds. Federal funds are intended to "supplement, not supplant" regular school instruction.

What is to be taught in compensatory-education classes has never been prescribed by law. The rationale of the program has been that supplementary instruction can "compensate" certain children for what are considered the liabilities of their familial and social backgrounds. These liabilities are thought to retard academic

-
1. Slums and Suburbs (New York: McGraw Hill, 1961).
 2. The Culturally Deprived Child (New York: Harper & Row, 1962).
 3. J. McVicker Hunt, Intelligence and Experience (New York: The Ronald Press, 1961); Benjamin Bloom, Stability and Change in Human Characteristics (New York: John Wiley & Sons, 1964).
 4. See also Allan C. Ornstein's "The Education of the Disadvantaged: A 20-Year Review," Educational Research, June 1982.

accomplishment and the personal success supposedly based on academic achievement.

EXPERIENCE OF CHAPTER I

Although state departments of education have some authority to oversee Chapter I services, Chapter I monies have always been paid directly to local school districts. Depending upon the district, a school may have substantial authority to design compensatory programs on its own or it may be required to follow a district-wide program. Chapter I money, however, must be spent on supplementary instruction to meet, states the law, the "special educational needs of educationally deprived children." Such children must be located in "attendance areas...having the highest concentrations of low-income children."⁵

Chapter I instruction typically is conducted in separate classrooms by special teachers whose salaries are paid from Chapter I funds. Since 1965, \$46.3 billion (including 1985 estimates) has been spent on Chapter I. The Department of Education estimates that in FY 1985 about \$3.2 billion in Chapter I funds went to 4.8 million students in all 50 states, the District of Columbia, Puerto Rico, and other territories. About 45 percent of the students served are white, 29 percent are black, and 22 percent are Hispanic. The states and territories with the largest number of Chapter I students are (in order) California, New York, Texas, Puerto Rico, Pennsylvania, and Illinois.

Studies of Chapter I

The studies of the program conducted from 1965 to 1975 were almost uniformly negative. Yet federal appropriations kept rising. Some researchers have claimed that post-1975 studies have demonstrated that Chapter I produces modest successes. Yet, in a recent review of the literature, research psychologist Herbert J. Walberg finds that:

On balance, Chapter I appears to have done little good for students: it has neither raised the achievement of the educationally-deprived and poorest students, nor reduced the gap between them and other students. Indeed more Chapter I funds have often been spent on non-poor than poor students, and the program has put many of the poorest and most educationally deprived students at a greater relative disadvantage. Chapter I has consumed a very substantial amount of money, about \$38 billion, for ineffective services

5. 20 USC 3805.

that interfere with regular school programs. It has also interfered with other federal educational programs for categories of students, so that its net effect may have been to contribute to inequality and to the declining productivity of America's schools.⁶

Recent Developments

In 1985, more than 96 percent of Chapter I students attended public schools. The program always permitted private schools to receive federal funds and conduct compensatory-education classes. This July, however, the U.S. Supreme Court ruled in Aguilar v. Felton that public school teachers could not go into religiously affiliated schools to teach Chapter I classes. This affected approximately 200,000 students who had been receiving Chapter I services in mostly Catholic schools in inner-city America.

The Reagan Administration, in 1983, proposed legislation to introduce parental choice into the Chapter I program. But neither the White House nor the Department of Education made any serious effort to promote the bill. Predictably, therefore, it died within weeks of its introduction. Bennett's new proposal revives the 1983 effort, but seeks also to address issues raised in the Aguilar decision.

THE PROPOSED LEGISLATION

TEACH is unusually simple. Students already identified by school districts as being "educationally deprived" could continue to take their Chapter I benefits in kind. If they so chose, however, parents of the deprived would be allowed by the bill to receive assistance in the form of a Chapter I voucher. A voucher allows a parent to specify which institution shall receive funds to educate his child. The voucher could be used for Chapter I instruction at: 1) a public school in the same district, 2) a public school in another district, or 3) a private school.

No school currently not offering Chapter I services would be required to initiate them by the legislation. The voucher could be used to purchase compensatory services, or to fund a student's full enrollment in a regular curriculum. Or it can be used to finance some combination of the two. With their vouchers, parents could purchase educational services in amounts up to the average Chapter I expenditure of their resident school districts. If, say, that average amount is \$600 a year, the parent can designate a private or public

6. Herbert J. Walberg, "Federal (Chapter I) Educational Spending and Effects on Poor Children," Policy Studies in Education, Learn, Inc., October 1984.

school meeting the requirements of TEACH, and that school will receive \$600 to finance the child's education. Each district, at its own discretion, could use Chapter I monies to provide transportation for voucher students.

Vouchers could be used at public or private elementary and secondary schools that offer a full-time program of instruction and do not discriminate on the basis of race. Private schools providing educational services to voucher students would not be designated recipients of federal assistance.

ANALYSIS OF THE LEGISLATION

The voucher's simplicity is a major virtue, writes education analyst Lawrence Uzzell:

In contrast to all of its rivals, the voucher system has the kind of elegant simplicity that consumers love and bureaucrats hate. It does not allow decisions to be endlessly bargained and rebargained by every faction that thinks or pretends it might be affected: there is only one ultimate decision-maker, the parent. It does not treat schools as ends in themselves, entitled to government subsidies merely by virtue of existing: children and their education are the ends, schools are mere means to those ends, and thus the logical recipient of subsidies is the family.

This strong parent support for the choice and freedom provided by vouchers was demonstrated this fall in Minnesota where a new state scheme of educational choice was inaugurated.⁸ The Minnesota legislature had passed a measure allowing public high school juniors and seniors to take individual courses or to take an "early exit" from high school and enroll full-time at public or private colleges, universities, community colleges, or vocational-technical colleges. Under the program, state money up to the average state expenditure per student (currently about \$3,100) would follow the student to the chosen college. Thus, even though the choosing population is restricted (private-school eleventh and twelfth graders cannot participate), those covered have a real choice: they can choose public or private (including religious) colleges.

7. Lawrence A. Uzzell, "Vouchers and Hope," Family Policy Insights, Child and Family Protection Institute, June 1985.

8. See "Minnesota Choice Plan Has Immediate Impact," Educational Choice, October, 1985; and "Critics Assailing Minnesota Choice Plan," Education Week, October 23, 1985, page 1.

Parent and student reaction was immediate and strong. One percent (about 1,200) of all public high-school juniors and seniors are already participating. And observers in Minnesota predict a much larger response at the semester break in January, when students will have another chance to choose.

The Minnesota plan has been receiving substantial nationwide publicity. What is not widely known outside of Minnesota, however, is the fact that the state already initiated an "early exit" plan in 1982. State money did not follow the student into his or her chosen college, and the high schools retained ample authority to restrict a student's freedom of choice. This program--whereby students were allowed to select among the options that institutions chose for them--was, predictably, a failure. Absent were the principles that put teeth into the new Minnesota scheme: that families, not institutions, are the ones who choose, and that public money follows the consumer. TEACH takes this lesson to heart.

Vouchers and Chapter I

The Department of Education estimates that the average annual federal expenditure per Chapter I child is about \$640. The Chapter I voucher, however, would equal the average local federal expenditure per child, not the national average. In the District of Columbia, for instance, the average Chapter I expenditure per child is \$1,002. The Illinois state average is \$905, while Delaware, Hawaii, New York, New Mexico, South Carolina, and West Virginia have averages over \$800. Thus a Chapter I voucher would flex substantial consumer muscle in the educational marketplace in many parts of the country.

Recent public opinion polls have revealed widespread support for the concept of parental choice in education. In an analysis⁹ of nine polls and research surveys about parental choice in education and parental satisfaction with schools, The Clearinghouse on Educational Choice finds that close to half of the general populace already supports voucher-style measures in education. Minorities, on the other hand, support vouchers to a greater degree than the general populace.

Three recent Gallup Polls asked respondents about vouchers. The 1981 Poll found 41 percent of whites and 54 percent of non-whites favoring vouchers. The 1983 Poll found 49 percent of whites and 64 percent of non-whites in favor. This year, the results were 43 percent of whites and 59 percent of non-whites. A 1985 survey of Boston parents found that 80 percent of black parents and 69 percent of white parents would enroll their children in a desirable public

9. In Educational Choice, Vol. 1, No. 1 & 2, October and November 1985.

school outside of their immediate neighborhoods if they had the means and right to do so.

CONCLUSION

Reagan Administration officials argue that most parents will choose to continue receiving their Chapter I benefits from the public schools. They are probably correct in predicting the behavior of parents, especially at the beginning.

The proposed voucher, however, not only gives parents legal authority over the education of their children, it also openly provides an incentive for parents and teachers to create their own schools. TEACH creates incentive for a great number of parents and educators to start schools, especially in the inner city where a second educational option is desperately needed.

In fact, minorities in urban neighborhoods--of whom Marva Collins is only the most famous--have already begun to start their own schools. A study by The National Center for Neighborhood Enterprise documented and described 300 mostly inner city neighborhood independent schools founded, funded, owned, and operated by minorities. Many more may exist. The voucher proposal will constitute a powerful financial boost to those self-help minority schools.

This trend toward minority self-help may signal an increasing impatience by minorities with the failures of business-as-usual bureaucratic and centralized measures in education. The trend toward minority self-help is evidence perhaps of a move away from the government-supplied and controlled education.

Vouchers may be the best educational hope for poor, urban minorities. The numerous social problems of urban ghettos have overwhelmed all governmental services, including schools. By all accounts, children in urban schools need considerable, individualized attention and instruction. Government-operated schools find it extremely difficult to provide such services.

The Reagan Administration's voucher plan is a significant step forward. It shifts education decision-making for a needy group of Americans away from bureaucrats into the hands of those immediately affected by the results of that education. Urban education requires a multitude of imaginative solutions. Bennett's TEACH proposal seems like one of them.

Prepared for The Heritage Foundation
by Thomas R. Ascik
Executive Director
The Clearinghouse on Educational Choice
Arlington, Virginia

