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# POLICY MATTERS OHIO

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**Testimony of Piet van Lier, Senior Researcher,  
before the House Education Committee  
April 13, 2011**

Good afternoon Chairman Stebelton, Ranking Member Luckie and members of the House Education Committee. My name is Piet van Lier, and I'm a researcher at Policy Matters Ohio, a non-profit, non-partisan state policy research institute, on the web at [policymattersohio.org](http://policymattersohio.org). Thank you for the opportunity to testify today about HB 136, which would create a new statewide school voucher and a special education voucher.

Strengthening our public education system, which educates 90 percent of Ohio's children, should be a priority of this and every Ohio General Assembly. Without a strong education system, our state won't be able to compete economically, and Ohioans won't be prepared to engage in the civic life of our cities and towns, our state and our nation.

Policy Matters has a number of serious concerns with HB 136 based on the likelihood that it will weaken our state's education system and undermine Ohio's future. One of the most troubling aspects of this bill is that, particularly in this tough budget climate, its dramatic expansion of vouchers will create new costs for Ohio taxpayers at time when state funding for education is being cut. Furthermore, research does not support school vouchers as sound public policy for Ohio.

### **The PACT voucher's budget impact**

First, I'd like to address our concerns about the Parental Choice and Taxpayer Savings Scholarship Program (PACT), which would combine the Educational Choice Scholarship program and the Cleveland Scholarship and Tutoring Program. PACT represents a profound policy shift because it doesn't include caps, geographic restrictions or school-rating limitations; omission of these limits allows for significant voucher expansion above current levels. In addition, the PACT proposal explicitly allows many, if not most, students already attending private schools to receive a voucher by the 2014-15 school year.<sup>1</sup>

This last point is significant because previous studies of the Cleveland program found high levels of participation of students who attended private schools before applying for a voucher. Researchers at Indiana University, for example, found that over a five-year period up to 71 percent of voucher students entering the program after first grade had attended private schools the year before. On a related issue, the Indiana research team found that the program served a population that was whiter and wealthier than the overall Cleveland school district enrollment.<sup>2</sup>

Proposed income guidelines for PACT are another reason the bill is likely to cause significant voucher expansion if it passes into law. Proposed criteria call for an upper limit of 2.5 times the income standard

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<sup>1</sup> The first school year, 2011-12, only kindergarteners would apply for a PACT voucher, excluding children already enrolled in a nonpublic school; but in 2012-13, children already attending nonpublic schools up through 4th grade would be eligible to apply; by 2014-15, all students would be eligible to receive a voucher, regardless of whether or not they were already enrolled in nonpublic school without a voucher.

<sup>2</sup> Plucker, Jonathan, et. al. *Evaluation of the Cleveland Scholarship and Tutoring Program: Summary Report 1998-2004*. Center for Evaluation & Education Policy, Indiana University. February 22, 2006.

for reduced-price lunch; this means that based on 2011 guidelines, children in a family of four with an annual income of nearly \$102,000 would be eligible to receive a voucher worth \$2,313.<sup>3</sup> Students whose families earn less would be eligible for higher amounts, with those earning just over \$61,000 a year eligible for vouchers worth \$4,626, according to the legislation as introduced in the Ohio House of Representatives.

Terry Ryan of the Thomas B. Fordham Institute recently questioned the wisdom of passing HB 136. He wrote: “as about 80 percent of Ohio’s households have family incomes of less than \$100,000, this program has the potential to launch a significant expansion of school choice over the next decade.”<sup>4</sup>

Policy Matters agrees with Mr. Ryan on this point. If PACT were to become law, it would inflict great harm on public education in Ohio, in large part because voucher participation would increase dramatically, since PACT would make the families of children already in nonpublic school eligible to receive vouchers. This expansion would create new costs for taxpayers, further destabilize district enrollment, and drain money from the state’s budget for years to come at the expense of children remaining in Ohio’s district schools. This voucher increase would happen even as cuts proposed in the 2012-13 executive budget would drop overall state funding for education below 2003 levels.

According to state foundation settlement reports, just over \$71.6 million was deducted from district payments for vouchers in Fiscal Year 2010, and an estimated \$79.6 million will be deducted in FY11. Ohio Department of Education figures show that EdChoice, now in its 5th year, has continued to grow – by 13 percent this school year. Policy Matters conducted an analysis assuming 10 percent growth over FY11 levels during the first year with PACT and 20 percent growth the second year – conservative estimates, given recent growth and the expanded eligibility proposed in HB 136. Under this scenario, districts would see voucher deductions of an additional \$7.5 million in FY12 and \$30 million in FY13, compared to FY11 participation.<sup>5</sup> If PACT were to reach the 60,000 voucher cap proposed in the Kasich administration’s budget, the 220 percent increase over FY11 levels would mean a price tag on the order of \$143 million in additional spending on regular education vouchers within a relatively short time frame.

### **Dependence and accountability**

In 2010, nearly 5,000 students had enrolled in Cleveland’s Catholic schools using the voucher and 23 of the Diocese’s 29 schools had more than 50 percent voucher enrollment; 16 of them had voucher enrollment of at least 75 percent.<sup>6</sup> These high levels of dependence by religious schools on taxpayer funding are striking and troubling. This dependence also raises the question – at what level of public funding should a private school be held to accountability standards and tools, such as report cards, restructuring, and even closure, to which district and charter schools are increasingly being required to submit?

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<sup>3</sup> The National School Lunch Program provided free or reduced-price meals to children whose family’s income was at or below \$40,793 for a family of four; multiplied by 2.5, the cut-off for PACT vouchers would be \$101,982. See <http://www.fns.usda.gov/cnd/lunch/>.

<sup>4</sup> Ryan, Terry. *The Ohio Education Gadfly, A Bi-weekly Bulletin of News and Analysis from the Thomas B. Fordham Institute*. Volume 5, Number 6, March 30, 2011.

<sup>5</sup> This estimate assumes equal participation of students across the five income levels defined in HB 136, but could vary depending on participation.

<sup>6</sup> Information from a document retrieved on the website of the *Cleveland Plain Dealer* at [http://blog.cleveland.com/metro/2011/02/cleveland\\_students\\_hold\\_own\\_wi.html](http://blog.cleveland.com/metro/2011/02/cleveland_students_hold_own_wi.html).

### **Academic track record of vouchers**

For this and other reasons, it is important to examine more closely academic performance at Ohio schools that accept vouchers, and the state’s voucher programs have no conclusive performance data to support them. Last year’s state tests showed mixed results for the EdChoice program – according to data from the Ohio Department of Education, for example, voucher students scored better than district counterparts in Columbus, but not as well in Cincinnati and Toledo. In the Cleveland voucher program, district students outperformed voucher students on most state tests last year.<sup>7</sup> The only thorough review of an Ohio voucher program, the six-year study of the Cleveland program mandated by the state and conducted by Indiana University, found no significant advantage for voucher students.<sup>8</sup>

Private schools, both religious and secular, are often perceived to provide an environment that allows for higher achievement. This is certainly part of what attracts families to Ohio’s voucher programs when they are looking for alternatives to neighborhood district schools. In many cases, issues of faith or church membership also drive family decisions to choose religious schools that accept vouchers.

But assumptions of better achievement have been called into question by two national studies showing that when raw scores are adjusted for student characteristics such as socioeconomic status, public school students are likely to post higher average scores than their private-school counterparts, particularly in math.<sup>9</sup>

### **Special education proposal**

In addition to the PACT voucher, HB 136 would create a new special education voucher modeled after Ohio’s Autism Scholarship Program. It would provide varying amounts of money, depending on type of disability, to families to pay private education and therapy providers approved by the state. Research on the seven-year-old autism program is limited but instructive.

A 2005 formative study by the now-defunct Legislative Office of Education Oversight found overall satisfaction among parents using the voucher and concerns among districts about their ability to maintain vouchers students’ Individualized Education Programs when private providers (approved by the state) did not submit required progress reports. LOEO recommended continuation of the pilot for FY06 and FY07, along with a summative evaluation including elements such as a broader survey of parents, including those no longer using the autism voucher; an investigation of concerns raised by parents, providers and districts; and discussion of cost to ODE of administration of an expanded program. That evaluation was never conducted.

In 2008, Policy Matters studied the autism program, finding that all but three private schools or school-like providers in the program restricted or discouraged enrollment, either by serving only less severely disabled children, by charging more than the \$20,000 voucher cap, or by requiring religious instruction. The analysis found that Ohioans living in wealthier school districts were more likely to use the autism voucher than families from poorer communities and rural areas, and that minimal oversight of providers

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<sup>7</sup> Ott, Thomas. “Cleveland students hold their own with voucher students on state tests.” *The Cleveland Plain Dealer*, February 22, 2011.

<sup>8</sup> Plucker, et. al. 2006.

<sup>9</sup> See Braun, H., Jenkins, F., and Grigg, W. (2006). *Comparing Private Schools and Public Schools Using Hierarchical Linear Modeling* (NCES 2006-461). U.S. Department of Education, National Center for Education Statistics, Institute of Education Sciences. Washington, DC: U.S. Government Printing Office. Also Lubienski, Christopher and Sarah Theule Lubienski. *Charter, Private, Public Schools and Academic Achievement: New Evidence from NAEP Mathematics Data*. University of Illinois, January 2006.

by ODE largely left parents responsible for holding providers accountable for services which they, as private entities with no obligations to serve or enroll all children who apply, were not legally required to provide.<sup>10</sup>

Policy Matters also found that fully 75 percent of first-quarter voucher claims in FY08 were for providers created to serve students with disabilities, undercutting decades of advocacy for the inclusion of children with disabilities in the mainstream of education.

In October 2010, the *Akron Beacon Journal* published an article based on its investigation of the autism voucher program and reported that since the spring of 2009, when ODE began taking formal complaints from parents, investigators had found problems with three state-approved providers, including “poor record keeping, overbilling, billing for services not delivered, billing for services not required and billing for services provided by unqualified, uncertified staff.”<sup>11</sup>

It is likely that the proposed special education voucher would allow some families to access services they might not have otherwise been able to use, much as the autism program has. But it is also likely that the new voucher would mirror the autism program’s shortcomings; as a result, the above-described exclusivity, inequities and problem areas would overshadow any benefits created by a new special education voucher.

### **Conclusion**

Given research into Ohio’s existing voucher programs, a primary concern of Policy Matters Ohio is that the programs proposed in HB 136 would continue to undermine the idea of public schools as a place where a diverse group of children can learn together and begin to create a common culture.

Furthermore, these programs would, without a doubt, drain needed resources from the public schools and districts by creating new costs for taxpayers, particularly by funding students who would not otherwise have been part of Ohio’s public education system.

Given these concerns, Policy Matters opposes HB 136 as unsound public policy that will weaken the system that continues to education the vast majority of Ohio’s children.

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<sup>10</sup> van Lier, Piet. *Analyzing autism vouchers in Ohio*. Policy Matters Ohio, March 2008.

<sup>11</sup> Higgins, John. *Complaints trouble state autism fund*. The Akron Beacon Journal, October 17, 2010.