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# VOUCHERS AND THE ACCOUNTABILITY DILEMMA

## *An AFT Policy Brief*

In recent years, tax-funded private school vouchers, especially for low-income families, have gained momentum as a potential solution to our nation's educational challenges.

To date, a vast amount of research and literature has been devoted to the effects of vouchers both on recipients and students who remain in public schools.<sup>1</sup> In contrast, relatively scant attention has been paid to another important matter: if and how private and religious schools that accept vouchers would be held accountable for the use of public funds.

Any discussion of this question must take into account three key facts that raise a series of conflicts and public policy dilemmas:

- Private and religious schools currently have almost complete autonomy with regard to whom they teach, what they teach, how they teach, how they measure student achievement (if at all), how they handle their finances, and what information they disclose to parents and the public.
- Several recent polls show that the public would expect private and religious schools that receive public dollars to be regulated and held accountable for the use of these dollars, just as public schools are.
- Private and religious schools highly value their autonomy. A recent U.S. Department of Education report, conducted at the request of Congress, indicates that private and religious schools are unlikely to participate in a voucher program that would require them to meet accountability standards in key policy areas such as admissions, student testing, curriculum, and religious training.<sup>2</sup>

This policy brief documents and explores these three facts and considers the implications of various approaches to the voucher "accountability dilemma." For example, a regulated voucher system might satisfy citizens' demands for accountability, but it would erode the cherished autonomy and independence of private and religious schools (or at least discourage most private schools from participating). By contrast, an unregulated voucher system might preserve private and religious school autonomy, but it would not meet taxpayers' rightful, documented demand to know and have a say in how their dollars are spent.

*This policy brief was prepared by Dan Murphy, an associate in the office of the AFT president.*

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## JUST HOW PRIVATE ARE PRIVATE SCHOOLS?

**A**ny debate over the merits of vouchers and the various ways that a voucher plan might be designed must take account of how private schools currently operate. In this respect, the contrasts between public and private schools are quite striking. Whereas public schools are democratically controlled and must follow publicly determined rules regarding student admissions, curriculum, testing, and disclosure of finances and other pertinent information, private schools are more or less free to operate as they wish and are subject to little or no public oversight. Specifically, private schools have almost complete autonomy with regard to the following:

### **Admissions**

Private schools normally screen applicants on a number of grounds, including, but not limited, to: prior academic achievement, standardized test scores, prior disciplinary record, written application; interviews with applicants and their parents; and parents' willingness to volunteer at the school (often required). In addition, many religious schools give admission preference to students of the same religious background.<sup>3</sup>

### **Serving Special Education Students**

Private schools are not required to offer special education services, and, according to National Center for Education Statistics' (NCES) 1997 statistical profile of private schools, most private schools (75 percent) do not.<sup>4</sup> In contrast, nearly all public schools offer such services. Of the small number of special education students who do attend private schools, a disproportionate share go to private schools specifically designed to serve these students. At such schools, tuition tends to be very high—an average of \$15,000.<sup>5</sup> The remaining private school students with special needs (probably students with milder physical/learning disabilities than those who attend special schools) are scattered throughout the small number of regular private and religious schools that offer some special education services. For example, NCES data show that 26 percent of Catholic schools offer some special education services and that, in those schools, an average of 4 percent of students receive such services.<sup>6</sup>

### **Teacher Qualifications**

Only a handful of states require private school teachers to be licensed by the state.<sup>7</sup> In practice, according to NCES, 71 percent of all private school teachers are licensed, compared to 97.4 percent of public school teachers.<sup>8</sup> Moreover, almost 7 percent of private school teachers do not have a bachelor's degree, compared to fewer than 1 percent of public school teachers.<sup>9</sup> According to NCES, Conservative Christian schools and unaffiliated religious schools are the two types of private schools most likely to employ teachers who lack objective qualifications, with almost one-half of teachers at these schools lacking a state teaching certificate and more than 15 percent lacking a bachelor's degree.<sup>10</sup> (These two types of schools have also been among the fastest-growing schools in the private school sector over the last two decades.<sup>11</sup>) Finally, many religious schools often give hiring preferences to teachers who share the school's religious belief system.

### **Curriculum**

Within the basic subject areas—e.g., English, math, history, science—private schools are generally free to teach whatever they want. No state requires private schools to meet the same state curriculum standards as public schools.<sup>12</sup> In religious schools, religious instruction permeates every aspect of the school curriculum. According to NCES's 1997 statistical profile of private schools, religious school principals rate "religious development" as their most important educational goal, higher even than "excellence" and "literacy." For example, 59 percent of Conservative Christian and 55 percent of Catholic school principals say religious development is their top goal, followed by literacy (15.4 percent and 10.9 percent respectively) and excellence (13.1 percent and 13.7 percent respectively).<sup>13</sup>

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## Testing

Private schools can measure student performance however they choose to (if at all). No state requires private school students to take the same tests as public school students.<sup>14</sup> Moreover, private schools are not required to report test score results (let alone break down scores by socioeconomic status, race, etc.), making it impossible to assess school-level performance or compare student achievement across individual schools—public or private.

## Information Disclosure

Private schools generally do not have to release information on student outcomes (e.g., test scores, attendance rates, number of suspensions/expulsions, etc.), school governance, and finances to the public. Private school board meetings and records are closed to the public.

## WHAT KIND OF ACCOUNTABILITY WOULD THE PUBLIC EXPECT UNDER A VOUCHER PROGRAM?

**P**private schools generally enjoy wide discretion over whom they teach; what they teach; how they measure student achievement; the information they disclose to parents and the public; and, in the case of religious schools, the degree of religious training to which students are exposed. Within reasonable bounds, most would agree that private and religious schools, as long as they remain privately financed, have a right to such freedoms; after all, that's what makes them *private* schools.

The key question is: If private schools choose to accept public dollars under a voucher system, should they still be allowed to operate without any public scrutiny?

Several recent polls strongly suggest that the public, at least, has already made up its mind on this question: If private schools accept public dollars, they must abide by certain regulations and be held accountable for the use of these dollars, just as public schools are.

### 30th Annual Phi Delta Kappa/Gallup Poll (September 1998)

This poll,<sup>15</sup> administered to a nationally representative sample of more than 1,000 adults, found mixed support for the concept of "allowing students and parents to choose a private school to attend at public expense" (44 percent in favor; 50 percent opposed). However, when it came to the issue of ensuring accountability under a voucher plan, the public was overwhelmingly in agreement:

- Seventy-five percent agreed that "private or church-related schools that accept government tuition payments should be accountable to the state in the way public schools are accountable."
- Twenty percent did not agree with this statement. Five percent said they did not know.

### Peter D. Hart Research Associates Poll (February 1998)

This poll,<sup>16</sup> commissioned by the AFT and administered to a nationally representative sample of more than 800 respondents, closely tracks with the Phi Delta Kappa results. While support for the concept of "allowing students and parents to choose a private school to attend at public expense" was mixed (38 percent in favor; 54 percent opposed), support for accountability was overwhelming:

- More than 80 percent strongly or somewhat favored "requiring private schools to meet basic standards in areas such as curriculum and teacher qualifications to be eligible to receive tax-funded vouchers or tax credits."
- Fourteen percent strongly or somewhat opposed such requirements. Five percent were not sure.

The poll also took the accountability question a step further, inviting respondents to comment on specific standards that voucher schools might be required to meet. For each standard listed, respondents were asked whether they thought it was essential, very important, just somewhat important, or not too important to include in a voucher plan. The results are as follows:

Voucher Schools Would Have to	Percent Saying Such a Requirement is		
	<i>Essential or Very Important</i>	<i>Essential</i>	<i>Very Important</i>
Not discriminate in admissions on the basis of race	94	60	34
Meet state health and safety conditions	92	59	33
Meet state curriculum standards	88	57	31
Employ only certified teachers	86	54	32
Disclose their budget	84	53	31
Not discriminate in admissions on the basis of religion	83	51	32
Agree to use same tests as public schools	81	47	34
Abide by the Americans with Disabilities Act	79	47	32

### Public Policy Forum Report (February 1998)

This study,<sup>17</sup> conducted by the nonpartisan Public Policy Forum, examined the issue of voucher school accountability in Cleveland and Milwaukee, the only two cities in the nation with tax-funded voucher programs.

In part, the study sought to find a consensus on the information and procedures that would be necessary to ensure accountability in voucher schools. Toward that end, researchers administered a survey to a representative sample of taxpayers in Ohio and Wisconsin. The results track with the national results described above: Private schools that accept public dollars must be held accountable for the use of those dollars. The table below summarizes some of the most important survey results.

Voucher Schools Should Be Required to	Percent Agreeing
Hold public meetings	86
Report how money is budgeted and spent	78
Report students' scores on standardized tests	75
Hire only state-certified teachers	73
Use a random admissions process (as opposed to selective admissions)	61*

\*70% of low-income respondents agreed with this requirement.

Source: Van Dunk et al. (1998), Tables 7 and 11, and p. 24.

The findings of these three surveys demonstrate that what the public expects in terms of voucher accountability is dramatically at odds with how private and religious schools are currently allowed to operate (free of almost all regulations). Thus, in order to satisfy taxpayers' demands for accountability, private schools that accept public dollars would have to change the way they do business—and, in effect, become something other than private and independent or pervasively religious. Are private and religious schools willing to make such compromises in return for direct public funding?

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## WOULD PRIVATE SCHOOLS BE WILLING TO MEET ACCOUNTABILITY STANDARDS UNDER A VOUCHER SYSTEM?

**A** recent U.S. Department of Education (U.S. DOE) report<sup>18</sup> indicates that private and religious schools would not be willing to participate in a voucher plan that requires them to meet the kind of accountability standards that the public desires. The study, conducted at the request of Congress, explored the extent to which private schools would be able and willing to help alleviate overcrowding in 22 large, urban public school districts by accepting some students from overcrowded schools in exchange for tuition reimbursement.

To estimate the amount of excess capacity in private schools and their willingness to participate in such a transfer (voucher) program, the study relied on two main sources of data: (1) a survey of a sample of 1,000 private schools located in overcrowded public school districts (50 percent responded); and (2) a more in-depth survey of 28 organizations representing private schools (68 percent responded).

The report found that a moderate amount of extra space does exist in *some* private schools, especially small (religious and nonreligious) elementary schools. It also found that most private schools with excess space would be willing to participate in a transfer program, as long as they could "maintain [their] current admissions, curriculum, assessment, and other policies without change." All told, the report estimates that, as long as no conditions were placed on them, private schools would be able and willing to accommodate almost 150,000 public school students, or about 3.5 percent of public school enrollment in the 22 school districts studied.

However, the report goes on to note that private school "interest in participating would decline considerably if the transfer program included rules or conditions that affected their autonomy over admissions and other policies." Specifically, the report explored four accountability standards that private schools might be required to uphold under a voucher program:

1. **Accept voucher students through random assignment.** This means not screening applicants based on prior achievement, parent interviews, etc., and using mechanisms such as a lottery.
2. **Accept and serve students with special needs.** The survey defined this as "students with learning disabilities, limited English proficiency, or low achievement."
3. **Participate in state assessments.** Require private schools to use the same tests that the state requires for public schools, to allow for comparisons between sectors.
4. **Permit exemptions from religious instruction or activities** (at the request of the voucher students' parents).

These are just the accountability standards that were explored in the U.S. DOE report. Poll results suggest the public believes that private and religious schools receiving public funds also should: hire only certified teachers; meet state curriculum standards; disclose how money is budgeted and spent, as well as other school and student records; and hold public meetings.

Limited to only four accountability areas, results of the U.S. DOE survey nevertheless dramatically underscore private schools' concerns over the loss of autonomy that might accompany a publicly funded voucher plan. The results also strongly suggest that *most private schools would rather not participate in a voucher plan if it meant sacrificing total discretion over key policy areas such as admissions, testing, and instruction.*

What follows are: (1) the results of the private school survey; and (2) a representative sampling of responses from the more in-depth survey of private school organizations.

In the survey, private schools were asked the question:

Under each condition, how willing do you think your school would be to participate in a program to accept students from overcrowded public schools in exchange for tuition reimbursement?

## Private School Survey Results

Condition	Percent Responding		
	<i>Definitely or Probably Willing</i>	<i>Definitely or Probably Unwilling</i>	<i>Possibly Willing</i>
Maintain current policies	77	8	15
Random assignment	36	46	18
Accept special needs students	15	68	16
Use state tests	33	42	24
Permit religious exemptions	25	66	8

Source: U.S. DOE, Planning and Evaluation Service (1998), page 49, Exhibit 32.

**Note:** When interpreting these results, it is important to keep in mind that private schools were asked to respond to each condition *separately*. Depending on the design of any voucher plan, it is possible that at least two or more of the above conditions could apply—and possibly others that are not listed. If private schools were presented with a combination of conditions—e.g., accept special needs students *and* permit religious exemptions—interest in participating would likely decline even further.

## Private School Organization Survey: Representative Responses

### *Random Admission of Students?*

- **Association of Christian Teachers and Schools:** “Not willing...want to test and evaluate every student.”
- **National Independent Private Schools Association:** “Accepting public school transfers by lottery is difficult. Often these students don’t fit into our schools because of student discipline codes.”
- **Council of Islamic Schools in North America:** “No. Screening of students and families would be necessary.”
- **Greek Orthodox Archdiocese of North and South America:** “Lottery is a risky idea. You are afraid of whom you are dealing with.”
- **U.S. Catholic Conference:** “Unable to answer accurately. May depend on local admissions policies.”
- **United Methodist Church:** “This is the most equitable plan if tuition comes from public funds.”

### *Accept Special Needs Students?*

- **Association of Waldorf Schools of North America:** “Not willing.”
- **Oral Roberts University Educational Fellowship:** “*NOT* interested!!”
- **Association of Christian Schools International:** “If the schools were appropriately staffed and have programs that would properly serve special needs students.”
- **National Independent Private Schools Association:** “Difficult.”
- **U.S. Catholic Conference:** “Depend[s] on the degree of ‘special needs’ and the funding provided—the answer could vary significantly.”

### *Permit Religious Exemptions?*

- **U.S. Catholic Conference:** "Probably unwilling—strikes at the very heart of what a Catholic school is all about."
- **Association of Christian Schools International:** "This would be unacceptable."
- **Christian Schools International:** "NO...every class is permeated with a Christian religious viewpoint."
- **Association of Christian Teachers and Schools:** "Absolutely not willing. Non-negotiable."
- **Evangelical Lutheran Church of America:** "This would be difficult as the religious nature of schools is not restricted to particular time structures."
- **United Methodist Church:** "Yes. United Methodist Church-related schools generally have students from all faiths."

### *Other Concerns*

- **National Association of Independent Schools:** "Restriction on *any* aspect of running a school, including curriculum, admission, discipline, teacher certification, and budget."
- **General Conference of the Seventh Day Adventist Church:** "We would want to control our hiring process so that we would discriminate in hiring practices based on religious affiliation."
- **U.S. Catholic Conference:** "Degree of financial support—tuition and fees *do not* give actual per-pupil costs. If actual per-pupil cost is not covered, who picks up the difference?" "...degree of government supervision of the program and staffing, etc."
- **Lutheran Church—Missouri Synod:** "1. Maintaining our mission and our spiritual nature which permeates our total school program. 2. Having supportive families—not just escapees from public schools. 3. Being able to serve well those students who choose to attend Lutheran schools."
- **Association of Christian Teachers and Schools:** "Government control."

## THE ACCOUNTABILITY DILEMMA

**G**iving public dollars to private and religious schools presents a profound public policy dilemma: regulate private schools to respond to the public's demand for accountability and thereby sacrifice private school autonomy *or* preserve private school autonomy and thereby deny citizens' right and desire to know and have a say in how their tax dollars are spent. What follows is a brief overview of the trade-offs inherent to each approach.

### **Regulating Publicly Funded Private Schools**

By regulating voucher schools, policymakers might satisfy citizens' rightful demands for accountability. However, such an approach would probably yield the following undesirable consequences:

#### ■ ***Unprecedented Breach in the Church-State Barrier***

Separation of church and state is one of the most cherished features of our democracy, and it has served our diverse society well. An accountable voucher system would compel government interference in the operation of religious schools to an extent unrivaled in the history of our republic. This would have far-reaching effects. Of the nation's 26,093 private schools, close to 80 percent are religiously affiliated.<sup>19</sup>

#### ■ ***Erosion of Private School Autonomy***

To the extent that independent schools participated in a regulated voucher program, they would have to compromise their autonomy over key policy areas. This would blur the line between public and private, erode parental choice, and deprive the nation of the unique contributions that private and religious schools make to American education.

### ■ *Higher Costs to Taxpayers*

Sound procedures and regulations might satisfy taxpayers' demands for accountability and reduce the likelihood of new schools entering the "market" exclusively to take advantage of the availability of public funds. However, the cost of such regulation is very high. Professor Henry M. Levin, a distinguished voucher expert, estimates that, on top of the costs of the vouchers themselves, it would cost at least *\$48 billion annually* to put in place a national voucher system with adequate administrative procedures and mechanisms, including those for record keeping and monitoring, information dissemination, transportation, and a means of adjudicating disputes.<sup>20</sup> Rather than shrinking bureaucracy, an accountable voucher plan would dramatically expand it.

### Not Regulating Publicly Funded Private Schools

An unregulated voucher system might preserve private and religious school autonomy. However, such an approach would probably yield the following undesirable consequences:

#### ■ *No Public Accountability*

The evidence shows that the public expects private schools accepting tax dollars to behave largely like public schools in admissions, curriculum, testing, information disclosure, and other areas. An unregulated voucher system would not fulfill these demands. Some argue that vouchers come with a built-in accountability mechanism, since voucher schools must ultimately satisfy their customers—parents. But this argument fails to recognize that parents alone do not fund education. The vast majority of taxpayers (75 percent) do not have school-aged children and, therefore, unlike parents, cannot "vote with their feet."

#### ■ *Market Fraud and Failure*

An unregulated voucher system would inevitably encourage the emergence of brand-new schools, specifically designed to take advantage of voucher dollars. Past experience with an "education free market" suggests that, without any public oversight, many of these schools are likely to be shady or shaky:

- *Postsecondary, for-profit trade school fraud.* Over the last two decades, widespread fraud among postsecondary, for-profit trade schools has plagued the federal government's higher education student-aid programs, costing taxpayers millions of dollars a year and prompting calls for tougher congressional oversight. According to a 1994 *New York Times* special report: "In the most dramatic cases, directors of for-profit trade schools and colleges have looted the budgets of these loosely regulated federal student-aid programs to buy themselves Mercedes-Benzes, travel the world, subsidize a drug habit, invest in religious causes, or pay themselves million-dollar salaries."<sup>21</sup>
- *The Milwaukee voucher program.* In Milwaukee, where voucher school regulations are minimal, four voucher schools out of 18 closed their doors during the first six years of the program, a failure rate close to 25 percent.<sup>22</sup> Three of these schools closed mid-year amidst charges of fraud and mismanagement, leaving voucher students to scramble for available seats in other schools.
- *The Cleveland voucher program.* In Cleveland, a recently released state evaluation found that voucher students in the program's two brand-new private schools—schools specifically designed to take advantage of voucher dollars—fared significantly worse than their public school peers in reading, math, language skills, science, and social studies.<sup>23</sup>
- *High rate of small business failures.* According to the Small Business Administration, 53 percent of all small businesses dissolve within the first four years of operation.<sup>24</sup> Assuming start-up entrepreneurial schools experience a comparable failure rate under a voucher program, the effects on children and their families would be devastating.

#### ■ *A Breach in the Church-State Barrier*

In the case of religious schools—which account for almost 80 percent of all private schools—an unregulated voucher system would compel taxpayers to subsidize religious teachings with which they may disagree.

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## CONCLUSION

According to several polls, a majority of the public is opposed to vouchers. Moreover, an even greater majority, including most voucher supporters, insists that under any voucher or private school tax credit plan, private and religious schools that receive public dollars must be regulated. This means that vouchers and private school tax credits do not harm only public school children by draining resources from their schools and failing to improve achievement. In the end, vouchers and private school tax credits may prove equally harmful to private school children and their families, by undermining private and religious school autonomy, breaching the church-state wall, and blurring the line between public and private schools. Ironically, far from increasing "choice" for parents, as advocates contend, vouchers and private school tax credits would diminish both choice and the unique role of private and religious schools in American education. □

## ENDNOTES

- <sup>1</sup>For a thoughtful summary of this research, see Henry M. Levin, "Educational Vouchers: Effectiveness, Choice, and Costs." (Stanford University: September 1997).
- <sup>2</sup>U.S. Department of Education. Planning and Evaluation Service (PES). *Barriers, Benefits, and Costs of Using Private Schools to Alleviate Overcrowding in Public Schools*, by Lana Muraskin. Stephanie Stullich, Project Officer. (Washington, DC: 1998).
- <sup>3</sup>See PES (1998), p. 44, Exhibit 30; and pp. 73-74 in U.S. Department of Education, National Center for Education Statistics (NCES), *Private Schools in the United States: A Statistical Profile, 1993-94*, by Donald McLaughlin. Stephen Broughman, Project Officer. (Washington, DC: July 1997).
- <sup>4</sup>NCES (1997), p. 66.
- <sup>5</sup>NCES (1997), p. 61.
- <sup>6</sup>NCES (1997), p. 66.
- <sup>7</sup>U.S. Department of Education. Office of Nonpublic Education (ONE). *The Regulation of Private Schools in America: A State-by-State Analysis*, by L. Patricia Williams. (Washington, DC: 1995).
- <sup>8</sup>NCES (1997), p. 84.
- <sup>9</sup>NCES (1997), p. 85.
- <sup>10</sup>NCES (1997), pp. 84-85.
- <sup>11</sup>NCES (1997), p. 59.
- <sup>12</sup>Office of Nonpublic Education (1995).
- <sup>13</sup>NCES (1997), p. 101.
- <sup>14</sup>Office of Nonpublic Education (1995).
- <sup>15</sup>Lowell C. Rose and Alec M. Gallup, "The 30th Annual Phi Delta Kappa/Gallup Poll of the Public's Attitudes Toward the Public Schools," *Phi Delta Kappan* (September 1998).
- <sup>16</sup>Peter D. Hart Research Associates, "Public Attitudes on School Choice and Vouchers" (February 1998). Commissioned by AFT.
- <sup>17</sup>Emily Van Dunk et al., *Choice School Accountability: A Consensus of Views in Ohio and Wisconsin* (Milwaukee: The Public Policy Forum, February 1998).
- <sup>18</sup>See endnote #2 for full citation.
- <sup>19</sup>NCES (1997), p. 57.
- <sup>20</sup>Levin (1997).
- <sup>21</sup>See Michael Winerip, "Billions for Education Lost in Fraud, Waste and Abuse," *New York Times*, February 2, 1994; and U.S. Senate Hearings Before the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, U.S. Senate, October 27-28, 1993, *Abuses in Federal Student Grant Programs* (Washington, DC: U.S. Government Printing Office, 1994).
- <sup>22</sup>The schools are: Juanita Virgil Academy in January 1991, Exito Education Center and Milwaukee Preparatory School in February 1996, and Waldorf Academy in August 1996.
- <sup>23</sup>Kim Metcalf et al., *Evaluation of the Cleveland Scholarship Program: Second-Year Report* (Indiana University: November 1998). Commissioned by the Ohio Department of Education.
- <sup>24</sup>See SBA web site ([www.sba.gov](http://www.sba.gov)).