

THE BENEFITS OF SCHOOL CHOICE AND SENATE BILL 1

RESCUING CHILDREN FROM FAILING SCHOOLS

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SENATE EDUCATION COMMITTEE

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Chairman Piccola, and members of the Senate Education Committee, thank you for the invitation to testify today on Senate Bill 1. I'm Matt Brouillette, president of the Commonwealth Foundation for Public Policy Alternatives. But I am also here as a former high school teacher, football and baseball coach, school board member, and trustee of the Joshua Group which, in part, helps kids escape from some of Pennsylvania's worst performing public schools in the City of Harrisburg. Finally, and most importantly, I'm the father of four school-age children.

I'm fortunate to live in a community of highly reputable public schools. But after much consideration, my wife and I decided that homeschooling was the best option for our children. We've been blessed to be able to afford to make such decisions in the best interests of our children.

So, I can't imagine what it must be like, as a parent, to have no options available other than a failing public school. I can't imagine what it's like to feel trapped because your child's school has been chosen for you based on nothing else but your home address. Now, I suspect that most of the people in this building can't imagine what that must be like either.

In fact, I'm sure absolutely none of the highly paid lobbyists from the PSEA labor union or the Pennsylvania School Boards Association would ever consider putting their own children into some of our Commonwealth's worst performing public schools. Yet these people continue to block poor, minority children from escaping to safer and better performing educational opportunities—putting the interests of “the system” ahead of the kids.

It's been fifteen years since Gov. Ridge first proposed school vouchers for low-income children trapped in under-performing schools. The PSEA and PSBA opposed school choice then as they do now, arguing they just needed more money and more time to fix the problems. Well, they got both.

Taxpayer spending on public schools has doubled since 1996 to \$26 billion per year. Today, we spend more than \$13,000 per student—\$2,000 more than the national average and more than 39 other states.

Right here, in our Capitol City, spending exceeds \$17,000 per student. That's more than a year's tuition at Penn State, yet more than 60% of 11th graders tested “not proficient” in reading skills last year.

So while we gave the PSEA and PSBA more money and time to get it right, we sacrificed another generation of children to “the system.” We can no longer stand by and allow organizations that are more concerned with keeping adults employed and maintaining a “system” to prevent children from having access to better educational opportunities.

The “more money, more time” approach has failed to produce the schools our children deserve and the taxpayers are paying for. That is clear. But why has it failed?

First, we must recognize that there are only three basic ways to reform our schools. Every reform that has ever been tried—or will ever be tried—fits into one of these three categories: Rules, Resources, or Incentives.

Rule-based reforms seek to change education policies, such as a longer school day, student testing, state-approved curriculum, better teacher tenure law, and so on. Advocates of these types of reforms believe that we just need the “right” laws or policies to improve our schools. Although these types of reforms have been tried extensively, they have not significantly improved public education.

Resource-based reforms seek to provide greater resources, such as more money, newer textbooks, more Internet access, updated facilities, more teachers, and so on. The argument is that the lack of money is what prevents “real” reform

from occurring in our schools. However, as noted earlier, real spending in our public schools has doubled in just the last 15 years with very little to show for it.

Now, rules and resources are very important issues in education, and there is room for improvement with each. However, these methods fail to answer a basic question: Why do we see a relentless drive for continuous quality improvement in nearly every other sector of our economy except public education?

The answer is *incentives*. Our public schools lack the incentives necessary for the kind of educational improvement we expect and our children deserve. School choice is the key incentive for improving all schools. By empowering parents to become active education consumers, schools will themselves adopt effective rules and wisely allocate resources to provide the best educational services.

The reason we haven't seen dramatic improvements in our public schools is because we have failed to implement the proper incentives.

Albert Shanker, the former president of the American Federation of Teachers, recognized that incentives matter. Although hardly a proponent of school choice, he did say

“It's time to admit that public education operates like a planned economy, a bureaucratic system in which everybody's role is spelled out in advance and there are few incentives for innovation and productivity. It's no surprise that our school system doesn't improve: It more resembles the communist economy than our own market economy.”

Unfortunately, Shanker and the school employee labor unions have never taken this assessment to heart as they continue to fight efforts to bring in the incentives necessary for innovation and productivity, namely choice for parents (consumers) and competition for schools (producers).

Yet despite their adamant opposition, incentives in the form of charter schools, private scholarships, and public vouchers have been implemented across the nation. Although these incentive-based reforms are extremely limited, the evidence on school choice suggests that both children and public schools are positively impacted.

First of all, it's important to note that no research has found that children have been harmed because they have been given more school choices. In fact, most evidence reveals that choice improves academic performance, helps low-income families, and improves public schools.

Nine of the 10 “gold standard” evaluations of voucher programs reported statistically significant gains in achievement for all or some voucher recipients. And students who remain in public schools also benefit from school choice. In 18 out of 19 academically rigorous studies, vouchers had a positive impact on public school districts. And seven empirical studies on voucher programs in Milwaukee, Cleveland and Washington, D.C., find that participating private schools are much less segregated than school districts. [Citations of academic research can be found at CommonwealthFoundation.org.]

But what about some of the other common arguments against school choice—that vouchers divert resources from public schools but don't adequately reduce costs.

First, we need to remind folks that this money doesn't belong to the public schools, the unions or the school boards. It belongs to the children. It's for *their* education.

Second, school districts already have to deal with fluctuations in student enrollment. Giving a child a voucher to choose another school is no different. But most importantly, the responsibility of reducing costs because a school isn't serving a child's needs is the school board's problem—it's not the problem of the child escaping with a voucher. Indeed, no child should be forcibly kept in an underperforming school simply because some adults can't figure out how to manage a budget.

But for argument sake, let's consider the Harrisburg School District, which is costing taxpayers about \$17,700 per student—or approximately \$390,000 for a classroom of 22 students. What if five of those students chose to use an

\$8,800 voucher to attend a safer or better school? What would this do to the district's budget? [See attached chart for detailed explanation.]

First, instead of \$390,000, this classroom of now only 17 students has about \$345,000—44,000 fewer dollars than before. Yet the per-student spending goes up over \$20,300 per kid because \$8,900 was left behind by each voucher student.

But what about the so-called “fixed costs”? It is true that some costs such as debt, building maintenance, utilities, and transportation can't be immediately reduced because five children escaped for a better school.

We analyzed the spending in the Harrisburg School District and calculated its fixed costs. What we found is that about 36% of its spending is on fixed costs. But the unions have claimed that fixed costs are as high as 60%. So let's take their number—which is over 50% more than what we've identified. This would mean that the class of 22 kids has a fixed cost of \$234,000. So, even with the loss of five voucher kids, the classroom still has more than \$110,000 above their fixed costs. Indeed, this suggests that this classroom of 22 kids could lose as many 17 students and STILL cover its fixed costs!

Clearly, the argument that school boards can't balance budgets because of school choice is nonsense—and if nearly 80% of kids are vacating a classroom or a school, we shouldn't be funding it all. It should be shut down!

Another common argument against school choice is that private and parochial schools are exclusive, and that public schools accept everyone. Neither is true.

Although some private schools can be characterized as exclusive—either by high tuition or selective entrance standards—the same can be said of public schools that enroll students only from exclusive or wealthy neighborhoods within their “districts” and reject students from other neighborhoods on the “wrong side” of a district boundary.

But for the Pennsylvania School Board Association to say, as it has, “If you want to go to a good school, move to a good school district,” ignores the daunting economic challenges facing many families.

The reality is that the vast majority of private schools are not exclusive. On average, Pennsylvania Catholic schools charge tuition of \$3,500 for elementary children and \$6,500 for high school students. Many of these schools serve low-income students and a large number of non-Catholics.

For the last 10 years, thousands of students have left public schools to attend private schools all across the commonwealth thanks to scholarships provided by the Educational Improvement Tax Credit program. For 10 years, families have been seeking other educational options for their children in the state's private religious and non-sectarian schools. For 10 years there has been no evidence of widespread cases of families being refused admittance. Why? Because when parents have control, they seek the school that is going to best meet their child's individual educational needs. Choice allows parents to select from a variety of schools—if one school does not work, there are others that may.

It is also a myth that private schools “cream” the best students from the public school crop and leave the worst behind. The experience of even our limited school choice options in Pennsylvania demonstrates that students who are behind or not being served in their assigned public school are the ones most likely to exercise choice, not the “best” students. Indeed, it is students who are falling through the cracks in the public school system that are most likely to exercise school choice. Why would the “best” students want to leave a school that is already serving their needs?

School choice allows all parents to select the best schools for their children, not just the wealthy parents that can afford to move to better districts or pay tuition at an alternative school. Under the current system, the one-school-fits-all approach precludes equal opportunity and greater options for the majority of children. Greater school choice will allow poor parents the same choices already available to wealthier parents.

But what about accountability in these private schools? Their boards aren't publicly elected. They don't have to give the same tests or report the same data. They don't have to adhere to all the rules and regulations of the public schools.

It's important that we not confuse rules and regulations with accountability. While it is true that public schools must adhere to many laws, this fact has failed to make schools accountable to the public. Simply forcing kids to take state

tests does not create accountability either. In fact, the “underperforming schools” defined in SB 1 force students to take the PSSA—and a majority of students fail.

As long as children are unable to escape a school that is failing to meet their needs, real accountability will never exist in the public school system. Giving parents choices in how and where their children are educated creates a level of accountability that no law will ever generate. It is this fundamental component that prevents public schools from being truly accountable to taxpayers, parents, and children.

Further, the notion that private schools are not subject to many of the same regulations as are public schools is false. Private schools already comply with essential government regulations. Even still, there is no basis in educational experience or research to suggest that regulation creates better schools. What holds private schools to the same or higher standards than the public schools is that parents are treated as customers rather than captive audiences.

Competition ensures that all schools are ultimately accountable to those who matter most—parents and students. Parents who have choices in education can “vote with their feet” by sending their children to another, better school when their current one is not serving their children’s need.

I’ll conclude with a final comment on the PSEA/PSBA argument that Pennsylvanians do not want more school choice. Not surprisingly, the PSBA cites their own poll without publicly providing the methodology or supporting data.

Analyses of polling data on vouchers have demonstrated how support for school choice depends greatly upon the wording of the question. Once the bias is taken out and those polled are aware of the issue, it is a fact that school choice has been growing in favor since the 1970s. To try to stop the movement towards choice, opponents have turned to asking leading questions.

On the other hand, we commissioned a poll taken on the day before the historic elections of November 2010 with the nationally recognized Pulse Opinion Research. All of the methodology and supporting data is provided online for anyone wanting to scrutinize it. What the poll found is that 50% of Pennsylvanians support giving children “education vouchers, which help parents pay the costs at the school of their choice.” Strongest support comes from those with incomes under \$20,000 (64%) and African-Americans (69%).

But the truth is that it doesn’t take a poll to see that parents are clamoring for more school choices for their children. Since the late 1990s, Pennsylvania lawmakers have created charter schools, cyber schools and private school scholarships through the Educational Improvement Tax Credit program. Yet, the supply of school choice options is not meeting parental demand as there are long waiting lists for these limited options.

The public school establishment will argue they support school choice (even though they’ve fought it every step of the way). But they only support choice in the context of maintaining their monopoly on funding and children. Of course, this kind of choice is akin to Henry Ford—referring to the mass-produced Model-T—saying that customers could buy any color car they wanted, so long as it was black.

I’ll conclude with a final point in the form of a question that I hope will be the filter through which you consider all the arguments for and against school choice and Senate Bill 1: Who are we trying to serve: “the system” or individual children?

I’d encourage you to put the needs of individual children ahead of the demands of the system and its special interests. The system told us a generation of children ago that they just needed more time and more money to fix the problems in under-performing schools. They’ve failed. We have no more money, their time is up, and its past time that we put the needs of children first.

Thank you, and I’m happy to answer any questions.

School Choice & Public School "Fixed Costs"

Harrisburg School District

A	Current Per-Student Spending	\$17,675
B	Voucher per Student	\$8,828
C	District Retained \$ per Voucher	\$8,847
D	Cost per Classroom of 22 Students	\$388,850
E	Fixed Costs of Classroom (60% of Spending)	\$233,310

What if 5 students leave using vouchers?

Voucher Students = 5 | Remaining Students = 17

F	Voucher "Cost" to District (B x 5)	\$44,140
G	Voucher "Savings" to District (C x 5)	\$44,235
H	New Total Spending per Classroom of 17 Students (D - F)	\$344,710
	New per Student Spending (H / 17)	\$20,277
	Amount above "fixed costs" (E - H)	\$111,400

How many students can leave and still pay "fixed costs"?

Voucher Students = 17 | Remaining Students = 5

I	Voucher "Cost" to District (B x 17)	\$150,076
J	Voucher "Savings" to District (C x 17)	\$150,399
K	New Total Spending per Classroom of 5 Students (D - I)	\$238,774
	New per Student Spending (K / 5)	\$47,755
	Amount above "fixed costs" (E - K)	\$5,464