

Pell Grants for Kids

Bill Number:

Hearing Date: July 15, 2004, 10:00 am

Location: SD-430

Witness:

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Testimony

Mr. Chairman and Members of the Committee:

I am honored to be here today to discuss the important topic of school choice, specifically, the historical origins of school choice, the progress of school choice across the country and thoughts on the future direction of school choice.

Former Cincinnati Reds manager Sparky Anderson once said, “We shouldn’t dwell on the past, there’s no future in it.” In the case of school choice, he is wrong. The future of school choice lies in understanding and accepting that we are merely returning to the roots of American education.

Contrary to myth, public schooling as we know it is not synonymous with the democratic ideals of our founding fathers. In fact, the public schools of today – the taxpayer supported, government-run, highly centralized, bureaucratic institutions that are free at the point of delivery – are not the schools of yesterday.

This is not to say that education was unimportant in colonial America or to our founding fathers. As Warren Nord argues in *Religion and American Education*, “The Puritans placed a powerful emphasis on learning.” Lawrence Cremin, in *American Education: The Colonial Experience*, goes further, maintaining that “within such a society, education would assume the utmost importance, not merely as an instrument for systematically transmitting an intellectual heritage, but as an agency for deliberately pursuing a cultural ideal.”

An early result of this emphasis on education was that in 1647 Massachusetts passed the “Old Deluder Satan” Act. According to Nord, the act required “towns of fifty families to appoint a schoolmaster to teach children how to read and write and something of religion,” with larger towns being “ordered to establish grammar schools to prepare children for advanced education.”

The same strong emphasis on the need for and importance of widely available education is seen also among our founding fathers. In 1779, Then Governor of Virginia Thomas Jefferson introduced a plan to establish the first statewide school system in the New World. He called for twenty secondary schools to be created, but recommended that tuition be paid by the students, except in the case of poorer families where he proposed scholarships for needy students. A few years later in *The Rights of Man*, Thomas Paine echoed Jefferson when he made the case for publicly financed compulsory education.

However, he recommended that parents should be free to choose schools, calling for the expenditure of “four pounds a year for every child under fourteen years of age; enjoining the parents of such children to send them to school, to learn reading, writing and common arithmetic.”

What is critical to note here is that this emphasis on education did not lead directly or even rapidly to a system of state operated schooling. Rather, consistent with the values and traditions of early colonists and our founding fathers, formal schooling from 1630 to 1830 was typically a mix of private academies and local denominational schools. It was sometimes tax supported but primarily paid for by parents. Schools were predominantly privately run, entirely in the control of local hands and thoroughly religious. Moreover, attendance was strictly voluntary.

It wasn't until the 1830s and 1840s that we begin to see the roots of our current system of government controlled schools. At that time, with the determined backing of Horace Mann and others like William Ruffner, the emphasis changed from schooling that was mostly parent supported and principally privately run to schooling that was mostly state supported AND principally government run: common schools as we have come to call them. It was during this period that compulsory attendance laws began to be enacted, the first of which was enacted in Massachusetts in 1852.

Leaving aside the considerable academic controversy surrounding the motivations of those who fought for the common school movement – whether they were motivated by a true desire to make education available for all or a more sinister anti-catholic sentiment – the fact remains that it wasn't until 1918 that schooling in all states became compulsory. It took fully 70-80 years for the transition to uniform education to take root.

In the intervening time, schooling was still mainly a local function. Schools run by local boards and serving neighborhoods were the norm. Moreover, private academies and denominational schools continued to receive some tax support for a period of time, but this support continued to decrease significantly as common schools began to take root and as states modified their constitutions to prohibit the use of public funds for sectarian purposes.

The critical point to note here is that a key difference between schooling from 1630-1830 and schooling that arose in the period from 1830-1920 is one of delivery mechanisms. The early republic emphasized the importance of education for a stable society and provided some public funding for schooling, all the while allowing parents greater autonomy and enabling a wide array of private and religious schools to receive public funds. The common school movement simply destroyed parental autonomy and choice, linking in a clear way the government financing of education through tax dollars with the government administration and operation of schools.

What happened in the period after 1920 is a testament to the folly of this idea. Rapid centralization ensued, with schooling becoming increasingly bureaucratic and uniform. Education moved from a parent/child customer centered focus to a school/state education

provider centered focus.

Two simple statistics tell the story. In 1900, 72% of all children attended a public school, but by 2000 that figure had increased to 92%. Most telling however is the dramatic school district consolidation that occurred between 1937 and 1998. According to a book by Paul Peterson, *The Education Gap: Vouchers and Urban Schools*, “There were nearly 120,000 school districts in the nation in 1937; by 1998, the number had dropped to less than 15,000.”

Now, I have spent time describing the roots of American education prior to discussing the specific topic of school choice and the Pell Grants for Kids proposal in order to make two simple but often elusive points: namely that school choice is not a new idea which somehow conflicts with the principles of our republic and also that the heart of school choice lies in the pre-common school principle that made a clear distinction between the government financing of education and the government operation of schools.

The philosophical roots of school choice go back to the founding fathers, but the modern trend towards greater choice in K-12 education began in the 1950s with Milton Friedman. Building upon John Stuart Mill’s writings, Friedman proposed that:

“Governments... could finance [education] by giving parents vouchers redeemable for a specified maximum sum per child per year if spent on ‘approved’ educational services. Parents would then be free to spend this sum and any addition sum on purchasing educational services... of their own choice.”

Quoted from Peterson, *The Education Gap: Vouchers and Urban Schools*

It should be noted too that while the practical roots of K-12 school choice extend back into the 1700s – Maine and Vermont have long-standing programs known as ‘town tuitioning’ – modern attempts to introduce school choice also began in the 1950s.

Minnesota, a perennial leader in education reform, enacted in 1955 a tax deduction program that allowed parents to offset various educational expenses at private schools. This was followed in the 1970s with an effort by Christopher Jencks who, in his work with the Office of Economic Opportunity, proposed school vouchers as a solution to the problems in big city schools. Eventually, a limited voucher program was established – with the initial support of the teachers’ unions – in the school district of Alum Rock, California. However, this small program was quickly abandoned.

The next breakthrough came in the state of Wisconsin in 1990, when then Governor Tommy Thompson and a diverse group of community leaders, state legislators and parents worked together to enact a voucher program targeting low-income parents in the city of Milwaukee. This program was originally limited to only 1% of the total student population of Milwaukee Public Schools (MPS), roughly 1,000 children, and eligibility was limited to families at or below 175% of the federal poverty level. Parents could send their children to eligible non-sectarian schools. In 1995, however, the program was

expanded to 15% of the total student population of MPS and religious schools were included among the options parents could choose.

Simply put, the program enacted for Milwaukee sparked a revolution. Since 1995, we have seen an explosion in the number of school choice programs introduced at the state level. In fact, in 2003, more than 20 states introduced voucher or tax credit legislation. Moreover, as the table below indicates, we have seen, on average, one new school choice program enacted every year since 1996. Voucher programs have been enacted in Florida, Colorado and the District of Columbia. Minnesota and Illinois have enacted individual tax credit programs to offset the cost of private education. Arizona, Florida and Pennsylvania have created scholarship tax credit programs that allow individuals or corporations to claim a tax credit for contributions made to non-profit organizations that distribute scholarships. This trend will likely continue in 2005.

Not only have we witnessed a significant growth in actual programs enacted, we are seeing a dramatic increase in the types of school choice legislation offered. In the early 1990s, the school choice movement concentrated on designing geographic specific, means tested voucher programs or small tax credit programs designed for individuals to offset certain approved educational expenses. However, since 1997, the policy options have multiplied significantly. In 2003, for example, types of legislation introduced at the state and federal levels included:

- Vouchers for children attending failing schools;
- Vouchers to ease overcrowding in public schools;
- Universal vouchers;
- Vouchers for children with identified special needs;
- Corporate and individual tax credits for donations to non-profits that target scholarships to children of inmates or military personnel;
- Universal tuition tax credits that allow any taxpayer to claim a credit to defray the cost of a child's tuition at private school;
- Vouchers targeted to specific, often large school districts.

In addition, since the 1990s, the amount of credible evidence as to the impact and effectiveness of school choice has increased dramatically. Others more qualified will be testifying on the available research; however, a quick recap of what we know is useful here.

- 1) School choice has not led to creaming the best students from public schools. Rather, more likely is that the opposite has occurred. As John Witte, the official evaluator of the Milwaukee program noted: "Students were from very low income families... Blacks and Hispanics were the primary applicants... prior test scores show [voucher] students were achieving less than low income MPS students."
- 2) Almost all studies show positive effects on test scores for students receiving vouchers. None shows a negative relationship between vouchers and test scores.
- 3) Evidence is mounting that there is a positive relationship between school vouchers and

public school productivity and results. A study by Caroline Hoxby on the impact of Milwaukee's voucher program on public schools found that "At public elementary schools where many students could receive vouchers, performance increased faster than at public schools where relatively few students could get vouchers. Overall...public schools have a strong, positive response to competition from vouchers." Other studies of Florida's A+ Opportunity Scholarship Program and the long-standing programs in Maine and Vermont mirror Hoxby's conclusion.

The evidence for where we have come so far on school is, I think, clear. An old idea is once again being put into practice and the practice is being verified not only by the satisfaction of those participating in the programs but by those researching the programs. New laws allowing public funding for parents to attend private schools are enacted every year. Policy options are multiplying. Evidence is accumulating. And parents and children are getting access to more and more educational options.

This trend mirrors the growth in home-schooling and even fits with what is happening in government operated schools, which are offering more choice to parents than ever before. Magnet schools, charters schools, curriculum options, year-round schooling, supplemental services, inter-district choice, intra-district choice, public-private partnerships: these options are increasing every day.

The future of school choice can not help but continue in this direction of returning to the roots of American education, an education where funding follows children to a school of a parent's choice. As Stanford Professor Terry Moe argues in *An Education Agenda*:

"Vouchers are not the only choice-based reforms that we can expect. For similar reasons there will be thousands of new charter schools offering choice and competition within the public system; lots of innovative contracting arrangements, in which private firms... are engaged to run schools and various kinds of tax credits that enable more families to go private. The new system will be a blend of all these (and more), and is best thought of as a mixed system of government and markets – a system that involves far more choice, competition, and privatization than our current system does."

As the issue of school choice continues to make progress, however, there are a number of items that should be kept in mind.

First, the number of parents eligible to exercise school choice should continue to expand. In the early 1990s, most of the efforts focused on providing choice to poor, inner city families or to children trapped in poorly performing schools. These are surely laudable efforts that should continue. However, the inequities of outcomes and financing present in the current system of public schooling will not be fully dealt with until choice is extended to a broader group of lower and middle income parents, without regard to school quality. In fact, a strong case could be made that of the 14 school choice programs, the most successful ones are those that offer options to more than just low-

income parents. Two of the programs in Florida enacted in 1999 – the A+ Opportunity Scholarship Program and the McKay Scholarships for Students with Disabilities – make this point clear. After three years of operation, the A+ program, which is limited to children from failing schools, served 702 students in 2002-03 while the McKay program, which is open to all children with special needs regardless of income, served 9,202.

Second, encouraging the development and use of a wide array of educational delivery mechanisms is critical. To replace a one size fits all system (public schooling) with another one size fits all system (private schooling) merely repeats a mistake. Rather, the school choice movement should concentrate on supporting a number of different delivery vehicles. One of the key successes of Milwaukee's voucher program has been to stimulate a significant growth in the types of schools available to children. Cyber schools, charter schools, private schools, public-private partnerships, contract schools, traditional city public schools, suburban public schools: all of these help make Milwaukee a city of options where parents can choose the delivery mechanism that is best for their child.

Third, the school choice movement needs to ensure that the dollar amounts available to parents are significant enough to encourage movement among multiple education providers. This is particularly important for poorer parents who can't afford to pay twice for education, once in taxes and once in tuition. It is important also, however, for many middle income parents who are simply unable to stretch their budget far enough to cover private schooling.

Finally, and most importantly, rectifying the mistake of the common school movement should be a major priority. Every possible effort should be made to separate the government financing of education from the government operation of schools. As long as the customers, in this case parents and children, are unable to exercise real economic power, the producers, in this case schools and school systems, will prevail and the current, iniquitous system of education for the have's and have not's will continue uninterrupted.

With all this in mind, I would like to applaud Senator Alexander's efforts to introduce the Pell Grant Program for Kids. This program is a step in the right direction. It would enable a broad class of low and middle income parents to exercise greater educational freedom. In one swoop it would extend choice to millions of parents. It would enable parents to use the funds for a wide array of educational delivery mechanisms, both public and privately operated. And while it only provides a limited grant amount for parents to use – something that could be remedied by allowing non-profit organizations to pool grant monies – it would ensure also that the funds set aside for the program go directly to the parent, the consumer, and not to the schools (or states).

In the end, I would suggest that Senator Alexander's proposal is far closer to the roots of American education than many other proposals that tinker around the edges of education reform. Not only is it in the best tradition of those who enacted the Servicemen's Readjustment Act of 1944 – the most comprehensive and most successful school voucher

program ever created – it is undoubtedly in the best tradition of our founding fathers and the ideals of freedom and liberty they held dear.