

## Occasional Paper No. 5

National Center for the Study of Privatization in Education

Teachers College, Columbia University

### A Comprehensive Framework For Evaluating Educational Vouchers

Henry M. Levin\*

**Abstract--**Major policy debates have arisen around the subject of educational vouchers as an alternative for financing and organizing the educational system. To a large degree comparisons between vouchers and the traditional system of educational finance and school operations have been limited to one or two dimensions of education such as the relative impact of a particular system on achievement test scores. This paper describes a comprehensive, evaluative framework that draws upon a larger range of goals that have been posed for education in a democratic and free society. These criteria include: (1) freedom of choice; (2) productive efficiency; (3) equity; and (4) social cohesion. The framework demonstrates the importance of and tradeoffs among these four criteria in evaluating specific educational voucher plans and comparing them to other alternatives such as charter schools as well as the more traditional public school arrangement. The paper develops the concept of "advantage maps" for comparative purposes along with a research agenda for developing fully this approach to evaluation.

---

\* An earlier version of this paper was presented at the Interdisciplinary Symposium on the Futures of Education, Zurich, 28-30 March 2000. The author is the William Heard Kilpatrick Professor of Economics and Education and Director, National Center for the Study of Privatization in Education (NCSPE), Teachers College, Columbia University. <HL361@columbia.edu> He wishes to thank his colleagues Patrick McEwan, Janelle Scott, and Parag Joshi for their support and comments. Fred Doolittle, Steve Klees and Dwight Holmes provided critiques of an earlier draft.

## **Occasional Paper Series of the NCSPE**

The Occasional Paper Series of the National Center for the Study of Privatization in Education (NCSPE) is designed to promote dialogue about the many facets of privatization in education. The subject matter of the papers is diverse, including research reviews and original research on vouchers, charter schools, home schooling, and educational management organizations. The papers are grounded in a range of disciplinary and methodological approaches. The views presented in these papers are those of the authors and do not necessarily represent the official views of the NCSPE. The NCSPE is an independent and non-partisan organization that does not take an official stand on educational privatization. Its role is to study the phenomenon and disseminate what is known.

If you are interested in submitting a paper, or wish to learn more about the NCSPE, please contact us at:

NCSPE  
Box 181  
Teachers College, Columbia University  
525 W. 120<sup>th</sup> Street  
New York, NY 10027

(212) 678 3259 (telephone)  
(212) 678 3474 (fax)  
[ncspe@columbia.edu](mailto:ncspe@columbia.edu)  
[www.tc.columbia.edu/ncspe](http://www.tc.columbia.edu/ncspe)

# **A Comprehensive Framework For Evaluating Educational Vouchers**

Henry M. Levin

## **INTRODUCTION**

The educational system of the United States has been challenged by two substantial proposals for reform that build on choice. The first, that of charter schools, would establish semi-autonomous public schools that address a specific mission or charter. They receive a specified sum of funding for each student from their local school district or state and are released from compliance with many local and state regulations providing that they adhere to their charter. Starting in 1992, they had expanded by the year 2000 to more than 1,700 charter schools in 37 states. On the assumption that over-regulation of traditional schools has stultified educational innovation and responsiveness, charter schools are expected to improve the overall educational system by providing competition for regular public schools and being “incubators” of change and models for public schools to emulate (Nathan 1996; Finn, Vanourek, and Manno 2000). It should be noted that Charter Schools vary considerably from state-to-state in the way that they are financed, regulated, and provided with support services (RPP International 1999).

A far more dramatic initiative in this direction is that of educational vouchers, a major initiative for revising the finance of education and placing the organization and function of the educational system into the marketplace. Educational vouchers refer to a system of public educational finance in which parents would be given a tuition certificate by the government that could be used to pay tuition at any “approved” school, public or

private. Many types of schools including those seeking profit would compete for students and their vouchers in the marketplace. Presumably, competition would lead to a greater range of choice and rising efficiency and innovation in education as schools had financial incentives to attract and maintain their enrollments. Although there are precursors to the voucher approach such as the plan proposed by Thomas Paine more than two centuries ago (West 1967), the present discussions are based largely on the proposal made by Milton Friedman almost half a century ago (Friedman 1962). Friedman argued that there is a compelling case for public finance of elementary and secondary education because of its public benefits in preparing the young for the values and behaviors necessary for a democracy. But, he also argued that there was no compelling reason for government to operate schools and that the existing government monopoly needed to be replaced with a free market of competitors. To protect the public interest, Friedman would call for minimal curriculum requirements to promote democratic skills and attitudes among schools eligible to redeem vouchers. But, beyond that Friedman believed that schools should be unrestricted so that a dynamic market of for-profit schools would compete for students and provide more variety of schools and a better quality of education.

At the present time there are limited voucher programs for low-income families in both Milwaukee and in Cleveland. The State of Florida has adopted a plan by which students in schools that have failed, according to state standards, two years out of the previous four, must allow students in those schools to get a voucher to attend private schools or other public schools. This plan was rejected recently by the Florida courts, but that ruling is in the process of appeal. In the meantime, no schools met the failure criteria

for the year 2000, so no new students are eligible for vouchers in that state. Other states are also considering such measures. In addition, there are an increasing number of private voucher plans where philanthropic individuals and groups have provided funding for scholarships for the poor to attend non-public schools (Moe 1995).

Of course, the advent of educational vouchers has generated vocal movements among both advocates and detractors. Advocates argue that families need more choices and that educational vouchers will provide competition and improved school effectiveness and productivity in the spending of public dollars. Detractors claim that educational vouchers will primarily generate business profits and marketing costs that could have been used to provide better educational services, will lead to increased inequities in educational outcomes, and will undermine a common educational experience necessary for democracy. Although some empirical data are available on limited aspects of educational vouchers, the lack of a comprehensive framework that takes into account the major strengths and weaknesses limits any overall conclusions on probable consequences.<sup>1</sup> Indeed, there is little clarity on precisely what should be assessed and how.

The National Center for the Study of Privatization in Education (NCSPE) at Teachers College, Columbia University has committed itself to a non-partisan and non-advocative approach to the study of educational privatization.<sup>2</sup> A major effort of the NCSPE is the establishment of a long-term project to establish a comprehensive approach for comparative assessment of educational vouchers and other forms of privatization with the more traditional approach to public education. Instead of premising public debates

---

<sup>1</sup> See summaries in Levin (1998); McEwan (2000); Goldhaber (1999),

on what tend to be piecemeal arguments about strengths and weaknesses, it is important to adopt an approach that can be used to compare systematically the different alternatives.<sup>3</sup>

The purpose of this paper is to set out the foundation of a comprehensive framework for evaluating educational vouchers that might be a first-step in building a base of information to implement assessment. I wish to put emphasis on the term “comprehensive”. Much of the voucher debate seems to revolve around whether students who use educational vouchers or who attend private schools rather than public schools show higher achievement than those who attend public schools. In fact, typically the voucher comparison is limited to the apparent impact on test scores in reading and mathematics at the elementary school level.<sup>4</sup> On the basis of these results, the protagonists attempt to infer general conclusions about the superiority or inferiority of educational voucher plans at all levels of education and for all important educational outcomes. The antagonists question these results and suggest that there are other criteria that are as important or more important for judging the impact of vouchers.

In the following sections, I will propose a comprehensive framework that I and my colleagues have been using for the last two years (Levin 1999). It will be shown that such a framework can compare educational vouchers with traditional public schools,

---

<sup>2</sup> <[www.tc.columbia.edu/ncspe](http://www.tc.columbia.edu/ncspe)>

<sup>3</sup> There has been a tremendous outpouring of recent literature on educational vouchers, much of it tendentious in limiting the presentation to a one-sided picture of the issues or to a single issue. Although these sources are valuable, they do not establish a common framework and tend to be framed more in advocacy terms than a more balanced approach. Compare, for example, Fuller, Elmore & Orfield (1996) with Peterson & Hassel (1998). Other recent works include Henig (1994), House (1998), Sugarman and Kemerer (2000), Viteritti (1999) Wells (1993), and Witte (2000). Compare the narrower focus of each of these works with the much wider range of issues that emerged in a series of meetings on vouchers and choice with participation of a very diverse set of representatives in Center on Education Policy (2000).

<sup>4</sup> McEwan (2000) provides a comprehensive summary of the statistical studies.

charter schools, and other forms of educational organization. The next section will address the background for choosing particular criteria for assessing educational finance and organization. This will be followed by the specific criteria that we have chosen. The last section will address the challenging issues of refining the details of such an assessment system to make it useful for choosing among alternative policies.

## **EDUCATIONAL CROSS-CURRENTS IN A DEMOCRACY**

In order to understand the issues surrounding educational vouchers, it is important to address the role of the schools in a democratic society characterized by considerable ethnic, racial, regional, and socioeconomic diversity such as the United States. This role can only be understood by considering the dual role that schools play in providing both public (social) benefits and private (family) benefits.<sup>5</sup>

### Parental and Societal Rights

Both families and society have rights that are addressed through education. In a free and democratic society, parents have the right to rear their children in the manner that they see fit, philosophically, religiously, politically, and in lifestyle. Since education is a central component of childrearing, this right is consistent with freedom of educational choice. This requirement suggests that parents should be able to choose the type of school that best supports their childrearing preferences.

But, democratic societies also need to reproduce the institutions for a free society in order to ensure these and other freedoms and civic functioning. Children are not born with civic knowledge and behavior. Therefore, there must be a major effort to provide them with the knowledge, behavior, and values to participate in the democratic political,

---

<sup>5</sup> The next section draws heavily upon the analysis in Levin (1987).

social, and economic institutions that are foundational to a democratic society.

Democratic societies are also concerned with the provision of fairness in access to life's rewards with effort and talent rather than privilege determining adult status. In the absence of some way of providing equal opportunities, economic and social status would simply be transmitted from generation-to-generation with rigid social classes and little opportunity for mobility. These requirements suggest an educational system that provides a common set of educational opportunities, a major component being a set of common educational experiences for all students. Such educational conditions are a necessary condition for creating equal life chances and preparing the young for democratic citizenship, participation, and opportunity.

Consider that an educational system that responds to parental preferences through freedom of choice requires schools that are differentiated to meet the unique desires of families. In contrast, an educational system that prepares the young for democratic participation and for equity in life's chances requires a substantial, common educational experience for all children. Balancing individual choice for addressing childrearing preferences with a common educational experience that will promote equity and social cohesion has always been a major challenge for the educational system. To a large extent these goals are in conflict and place the school system under continual tension.

Traditionally, the U.S. schools addressed this challenge by creating state school systems that permitted considerable local discretion in implementing school policies within a common statutory framework. The political, religious, economic, ethnic, and racial status of the most powerful elements in the local population determined school practices and resources. For example, the system of financing education was dependent

upon local property tax yields that depended upon the wealth of the local community (Coons, Clune, and Sugarman 1970). Within communities or local neighborhoods, the decisions of local governing boards were predicated upon the practices and beliefs of dominant groups in the community (Katz 1971). And within schools students from different social classes were often placed in tracks that were more heavily reflective of their social status than their educational capabilities (Oakes 1985).

But, by the latter half of the twentieth century these practices came under assault. Successful court challenges in behalf of poor school districts, racial minorities, females, handicapped, limited-English students and at-risk students were played out in state and federal courts. Congress and state legislatures passed educational laws protecting the rights of these groups and, in some cases, providing additional educational resources for them. Religious practices were proscribed from schools in almost all forms. Schools became profoundly more uniform in their policies over this period, reducing the special privileges that families had enjoyed traditionally. And simply moving to other neighborhoods or communities, a practice that was common to the middle class in its search for compatible schools, no longer provided the range of opportunities that were once available (Tiebout 1956).

This increased uniformity of schools reduced parental options and the ability to match childrearing preferences of parents to school experiences. By 1970 the success of legal and legislative strategies to achieve more equal educational opportunities and funding along with more uniform school practices led to rising pressures for increased freedom of choice and school differentiation, particularly among those who felt that they had lost choice privileges. If local political power could no longer be used to create

schools that echoed the racial preferences, values, religious practices, and wealth of local residents, other alternatives had to be sought. Initially these alternatives revolved around ways to increase local choice within the public schools. Public choice alternatives refer to the ability of families to choose from among public schools within a district or among districts rather than having students assigned to schools (See the essays in Clune and Witte, 1990). Some districts created magnet schools with special themes to attract families who were interested in those themes (e.g. science, the arts, technology, multiculturalism, business, health professions, and so on).

But, in the last decade these forms of public choice have been superceded by a shift to more radical alternatives such as charter schools and educational vouchers. Although charter schools are established under public authority, they are exempt from many state and local policies and laws as long as they meet the goals set out in their charter (Nathan 1996). They can be initiated by parents or educators and can represent distinct educational philosophies within the broader public context for schooling. Educational vouchers represent the most complete response to the public-private dilemma by funding all schools that meet certain minimal requirements, whether publicly or privately sponsored, with public dollars provided to families for educational purposes.

#### School Efficiency and Competition

But, freedom of choice, school equity, and preparation for democracy are not the only themes that have characterized educational discussions and tensions over this period. There is also deep concern about whether schools are adequately productive, particularly in urban areas. Productivity refers to the relationship between resources provided for schooling and their educational impact. There is little evidence and considerable

controversy over whether large increases in spending have produced significant improvements in student achievement and other school outcomes, particularly in inner-cities and rural areas (Compare Hanushek 1994 and Grissmer, Flanagan, and Williamson 1998). Results have lagged especially for students from poor families, racial minorities, and immigrants with deep concerns on whether these populations will be educated adequately for incorporation into an economy based upon information technologies. Searches for ways of improving educational productivity have extended from greater use of educational technologies to comprehensive school reforms to market competition.

A key argument for school choice and vouchers by proponents is that they will replace an educational monopoly with competition. By forcing schools to compete for students, the discipline of market competition is expected to replace the captive audience enjoyed by most existing public schools. Additionally, Chubb and Moe (1990) argue that democratic solutions to school offerings are fraught with conflict and compromises, wrought by special interests, that are often unconnected with student educational needs. Further, the diversity of student needs in any specific school environment means that any overall solution will not be particularly attentive to the needs of individual students.

In contrast, Chubb and Moe (1990) believe that the matching of students to schools through family choice would better meet the needs of all students. Friedman and others have lauded the educational marketplace as not only creating choice, but also providing incentives to improve efficiency in the delivery of educational services and innovation in education. Their view is that competition between public and private schools and among them will improve the performance of all schools that remain viable in the market while eliminating those that cannot survive competition. Thus, educational

vouchers and other forms of market choice have been recommended as ways to increase the responsiveness of schools to family preferences and as a means of creating dramatic improvements in productivity.

### **ELEMENTS OF A COMPREHENSIVE FRAMEWORK**

The debate over vouchers has occurred over a considerable period of time. It can be partially understood in terms of the general differences in perspective between libertarians or economic liberals with their reliance on the marketplace and the political liberals with their reliance on government. It can also be partially understood in terms of the valuing of the public versus the private outcomes of education (Levin 1987). But, underlying differences in these perspectives are four major educational criteria that molded the debate. Often the interchange on vouchers is limited to only one of these and rarely more than two. But, when one explores the multitude of exchanges on educational vouchers, four criteria emerge. Each of these criteria is highly important to particular policy-makers and stakeholders: (1) Freedom to Choose; (2) Productive Efficiency; (3) Equity; and (4) Social Cohesion.

(1) **Freedom to Choose**—For many advocates of vouchers, the freedom of families to choose the kind of school that emulates their values, educational philosophies, religious teachings, and political outlooks is the most important issue in calling for educational change. This criterion places a heavy emphasis on the private benefits of education and the liberty to ensure that schools are chosen that are consistent with the child-rearing practices of families.

(2) **Productive Efficiency**—Perhaps the most common claim for educational vouchers is that they will improve productive efficiency and effectiveness of the schooling system

by producing better educational results for any given outlay of resources. This conclusion is based upon the notion that market competition among schools for students will create strong incentives, not only to meet student needs, but to improve educational productivity. To those who believe in the efficiency of a competitive marketplace, this is almost a truism that does not require empirical proof. To those who question market efficiency, the issue of evidence is central.

**(3)Equity**—A claim of those who challenge vouchers is that they will create greater inequity in the distribution of educational resources, opportunities, and results by gender, social class, race, language origins, and geographical location of students. Those who will elect to choose in the educational marketplace will be those who are better informed and have greater resources such as access to transportation. Further, the choices themselves will further segregate the poor and disenfranchised as those with power and status will select schools with students like themselves.<sup>6</sup> Voucher advocates argue that, to the contrary, the ability to choose schools will open up possibilities for students who are locked into inferior neighborhood schools and that the competitive marketplace will have great incentives to meet the needs of all students more fully than existing schools.

**(4) Social Cohesion**—A major public purpose of schooling is to provide a common educational experience that will orient all students to grow to adulthood as full participants in the social, political, and economic institutions of our society. In general, this is usually interpreted as necessitating common elements of schooling with regard to curriculum, values, goals, language, and political orientation. A

democracy requires that its members master the skills and knowledge necessary for civic and economic participation including one's rights and responsibilities under the law, the principles of democratic government, and an understanding of the overall economy and preparation for productive roles.<sup>7</sup> The preparation for social cohesion is similar to what Friedman (1962) has called the neighborhood effects or societal benefits of education, those that justify public funding of education. Opponents of educational vouchers stress that a market of competitive choices, without ensuring social cohesion, will lead to balkanization rather than social cohesion.<sup>8</sup>

#### Responsiveness of Voucher Plans to the Criteria<sup>9</sup>

It is important to note that there is not a single voucher plan, but many different ones, each with emphases on a somewhat different mix of priorities among the four criteria. Within limits, the educational voucher arrangements are highly malleable. Plans can be constructed with particular features to address each of the four policy criteria by using three policy instruments: (1) finance; (2) regulation; and (3) support services.<sup>10</sup>

(1) **Finance**—Finance refers to the overall magnitude of the educational voucher, how it is allocated and whether schools can charge greater tuition than the voucher. With a

---

<sup>6</sup> In a somewhat different context, New Zealand, Fiske and Ladd (2000) review a choice process that, they believe, has lessons for voucher plans.

<sup>7</sup> What, precisely, the benefits are and how they are produced is hardly an area of consensus. For some general readings on this subject see Callan (1997), Cuban and Shippis 2000, Goodlad (1997) Guttman (1986) and Soder (1996). For specific interpretations on curriculum, see Bennett (1987) and on content, see Hirsch (1987).

<sup>8</sup> One dilemma is that of delineating the size and scope of the social unit that will be used as a basis for social cohesion. For example, some ethnic and racial groups emphasize the need to use the schools to develop cohesion within their communities. This goal may be in conflict with a more universal set of social cohesion goals. For a thoughtful discussion of this dilemma, see Fein (1970).

<sup>9</sup> This framework can be applied to charter schools, the traditional organization of public schools, and other policy interventions in education. I have limited this illustration to educational vouchers for purposes of parsimony.

<sup>10</sup> This approach can also be used with relatively little modification to evaluate charter school plans against the four criteria.

large voucher there will be more options arising in the marketplace with greater freedom of choice and competition. If the educational voucher is differentiated by educational need such as larger vouchers for those with handicaps and from poverty backgrounds, some issues of equity will be addressed. Schools will be able to obtain additional resources for such students, will have greater incentives to attract such students, and will be able to provide richer programs to address their needs. If families can add-on to vouchers from their private resources as Friedman proposed, there will be advantages for families with higher incomes in the educational marketplace who are able to send their children to more expensive and restrictive schools with potential increases in inequities relative to the present system.

(2) **Regulation**—Regulation refers to the requirements of schools for participating in the voucher system as well as any other rules that must be adhered to by schools and families in using educational vouchers. Presumably, only schools that meet certain standards will be eligible to redeem vouchers. Some voucher plans have emphasized a common curriculum and uniform testing as a condition of school participation to ensure that students are meeting goals of social cohesion and that schools can be compared for their productive efficiency. Admissions requirements have also been a matter of scrutiny where schools with more applicants than available places will be required to choose a portion of students by lottery to assure fairness in selection procedures. Eligibility for vouchers may be restricted to certain populations in the name of equity. For example, public and private voucher plans in the U.S. have been generally limited to children from poor families in order to give them choices outside

of their neighborhoods. The Florida legislation limited vouchers to children in public schools that had “failed” according to state criteria.

(3) **Support Services**—Support services refer to those types of publicly-provided services designed to increase the effectiveness of the market in providing freedom of choice, productive efficiency, and equity. Competitive markets assume that consumers will have access to a wide variety of choices as well as useful information for selecting among them. In the United States the availability of public transportation is very limited, necessitating a system of school transportation from children’s neighborhoods to schools of choice. In the absence of school transportation, school choices and competition for students will be limited, reducing both the competitive efficiency of schools and creating inequities for those who cannot afford private transportation. Information needs to be made widely available for families to make informed choices about the schools that they select for their children. Accurate information on school programs and effectiveness as well as other important aspects of school philosophy and practice would be collected and disseminated to parents to assist in making decisions (Schneider 1999).

Different voucher proposals have incorporated different designs that utilize these three policy instruments to achieve particular goals. For example, the original Friedman (1962) proposal focussed primarily on freedom of choice and productive efficiency by establishing a flat voucher at a modest level with the ability of parents to add to the voucher for their children. No provisions were made for transportation or information

(inhibiting somewhat the goal of informed choice), and regulation was minimal.<sup>11</sup> Of course, the lack of information and transportation would likely reduce opportunities especially for families with modest resources, a challenge for equity. But these omissions would reduce costs and government intrusion, presumably raising productive efficiency. Social cohesion was addressed with the suggestion of a minimal curriculum provision that is not described further.

In contrast, a plan by Christopher Jencks prepared for the U.S. Office of Economic Opportunity (Center for the Study of Public Policy 1970) places much greater emphasis on equity, social cohesion, and freedom of choice as does the plan suggested by Chubb and Moe (1990: 90).<sup>12</sup> It provided larger vouchers for the poor, regulation of admissions, standardized tests for common areas of curriculum, and provision of both transportation and information. But, the high potential costs of transportation, information, and regulation suggest a sacrifice of overall productive efficiency. This proposal put great emphasis on increasing choice, particularly for families who lack resources, but extensive regulations would also inhibit freedom of choice more generally by imposing admissions, curriculum, and testing requirements on schools.

In contrast, to these general voucher plans, the privately-financed voucher plans and publicly-financed arrangements in Milwaukee and Cleveland are restricted to students from lower-income families, with an obvious emphasis on increasing opportunities for these children alone. However, these are viewed as pilot programs by

---

<sup>11</sup> Of course, it could be argued that the schools will provide their own information through promotional materials and informational sessions to parents. However, there is little assurance that the information will be accurate and balanced, and it may be especially difficult to process for less-educated parents. The dearth of knowledge and understanding by parents is heavily underlined in Public Agenda (1999).

many of their advocates and an entrée or prelude to a more general voucher endeavor. Voucher plans for the poor vary considerably with respect to size of the voucher, regulation, and support services with the two public plans encompassing substantial regulation while providing transportation and some information. In most of the private voucher endeavors, the voucher has been set at a low level in order to require the parent to make a sacrifice by raising the remainder of the funds as a gesture of sharing responsibility.

It is important to stress that setting out regulations and other provisions is only a necessary condition for using finance, regulation, and support services to construct a voucher (or charter school) plan. Equally important is the implementation of these provisions. For example, if schools are not permitted to charge additional payments to parents or take donations, this policy is only as good as the ability to enforce it. The same is true for ensuring that a common curriculum is used or that admissions decisions are made in an equitable manner. For example, many of the states seem to have guidelines for charter schools that are difficult or impossible to reinforce because the states have provided only minimal appropriations for ensuring their implementation. Implementation requires resources, monitoring, technical assistance, and sanctions. In the absence of the first three of these, the sanctions are not meaningful. Thus, any analysis of the use of the three policy instruments must go beyond the formal provisions to the adequacy of the mechanisms for implementing provisions.<sup>13</sup>

### A System of Tradeoffs and Preferences

---

<sup>12</sup> Coons and Sugarman (1978) and Chubb and Moe (1990) also have a range of details that would support equity concerns.

Moe (1995) has suggested that molding particular objectives into voucher plans is a matter of design. To some degree he is correct, but such a perspective does not acknowledge the tensions and conflicts among criteria and goals in themselves that suggest that gains in fulfilling one criterion may reduce the ability to fulfill others. This means that intrinsically there must be tradeoffs. Some goals cannot be attained without sacrificing others.

For example, a plan such as Friedman's aims to maximize freedom of choice and productive efficiency through competition, arguably at the expense of equity and social cohesion. Recall that Friedman would provide a modest, flat voucher at public expense with parental options to add to the voucher out of private resources and the ability of schools to set tuition. Regulation would be minimal, and there would be no provision for transportation and information. This would promote a very large number of alternatives at different levels of tuition, for those who could afford them, with few restrictions on schools that enter the marketplace, promoting a large supply of alternatives. Clearly, social cohesion and equity goals would not be paramount.

Conversely, plans that emphasize social cohesion and equity tend to reduce freedom of choice and productive efficiency by establishing a variety of regulations and support services. For example, the Jencks plan (Center for the Study of Public Policy 1970) would regulate admissions and curriculum and require standardized testing and reporting of results. It would also provide larger vouchers for the poor—so-called compensatory vouchers—and a system of transportation and information. And, vouchers could not be augmented from private resources. The regulations and a fixed-government

---

<sup>13</sup> And provisions for these kinds of activities can add considerably to costs. For example, see Levin and

voucher with no private augmentation would reduce freedom of choice relative to the Friedman plan. The high costs of providing information and transportation and monitoring the regulations for eligible schools would add considerably to the costs of the voucher system and reduce productive efficiency (Levin and Driver 1997). But, the larger vouchers for the poor, regulations on admissions, and information and transportation services would increase equity. The common curriculum and testing requirements would be expected to improve social cohesion.

Although some design provisions would improve outcomes along more than one criterion, almost all would also reduce outcomes on other criteria. Provision of information and transportation will improve choice options for all participants, but especially for those from families with the least access to information and transportation, the poor. But, such provision would also raise the costs of the overall educational system, probably reducing productive efficiency unless gains from competition due to better information and access offset the costs of the transportation and information. The establishment of regulations with continuous monitoring and enforcement could be used to increase equity and social cohesion, but at the sacrifice of freedom of choice and productive efficiency.

This means that there is no optimal system that provides maximal results among all four criteria. Ultimately, the choice of design features will depend upon specific preferences and values as transmitted through democratic institutions. Those who place a high value on freedom of choice will probably be willing to sacrifice some equity and social cohesion provisions by eschewing regulations and support services and allowing

---

Driver (1997).

parental add-ons to vouchers. Conversely, those who place a high value on social cohesion will be willing to sacrifice some freedom of choice through establishing a common curriculum core and other standardized features of schools. Ultimately, much of the debate over the specifics of educational voucher plans revolves around the political power and preferences of the stakeholders.

It is an understatement to say that advocates of vouchers may agree on the general case for vouchers, but may disagree profoundly on specifics. There are even strong differences among persons who are often placed in the same general political category. Thus, many liberals want to see greater freedom of choice for students in the inner-city through educational vouchers, even though liberals are usually viewed as antagonistic to marketplace solutions for government services. At the same time, cultural conservatives are deeply committed to a common curriculum and knowledge framework that should be required of all students and the schools where they are enrolled, a very substantial commitment to regulation (Bennett 1987; Hirsch 1987). Political conservatives with libertarian views reject regulatory requirements entirely in favor of market accountability.

#### Summary of the Evaluative Criteria

Thus far we have suggested that educational vouchers and competing approaches to financing and organizing education can be assessed according to four criteria: (1) freedom of choice; (2) productive efficiency; (3) equity; and (4) social cohesion. We have also asserted that voucher (and charter) plans can be designed to address each of these through employing three policy tools as instruments: (1) finance; (2) regulation; and (3) support services. But, we have also concluded that even with the use of these three tools there are tradeoffs among the criteria in the sense that enhancing

performance on one or more of them is likely to infringe on the performance of the others. Thus, educational voucher designs must choose priorities among the different criteria in considering these tradeoffs. In the final section we will consider the broad steps that must be taken to refine this framework for making evaluative choices both within an educational voucher system and in comparing educational vouchers with alternative educational policies.

### **REFINING AND APPLYING THE FRAMEWORK**

In order for this framework to be useful, it must be operationalized in a way that enables comparisons among different voucher plans and between educational vouchers and other methods of financing and organizing education. One way to understand the value of these types of comparisons is to make "Advantage Maps" that delineate the advantages on each dimension of one particular arrangement over another. Bear in mind that these are illustrative. Also, the possibility that one approach has advantages over another approach with respect to a particular dimension does not mean that the absolute performance of either alternative is substantial. For example, if both the traditional approach and voucher approach do a poor job in terms of equity, then an equity advantage of one system over the other may still be wanting.

Figure One about here.

Figure One shows illustrative (but, plausible) advantage maps for four different versions of educational vouchers compared with the traditional public school system. The first map attempts to set out where the ostensible advantages lie between the

traditional system of public education and the Friedman (1962) voucher system. Note that the voucher system advocated by Friedman is minimalist in regulation, provides no support services, and calls for a modest public voucher, allowing parents to supplement it from private resources. The free market dominates the outcomes. Accordingly, the map shows advantages for vouchers in terms of freedom of choice and school site productivity, based upon the statistical summary of McEwan (2000), but an advantage for the traditional system in terms of the efficiency of the overall infrastructure (Levin and Driver 1997). The obvious effects of private supplementation of vouchers will be to increase the educational advantages of those with higher incomes. And the lack of support services will mainly inhibit the poor in having access to educational choices. Accordingly, it is likely that traditional schools hold an equity advantage, even though it is widely recognized that there are still inequalities in those schools. The comparison is relative, not absolute. Finally, the fact that traditional schools require some commonality in curriculum coverage and testing in comparison to no requirements in voucher schools suggests stronger social cohesion in traditional schools.

The second advantage map represents a voucher plan with emphasis on equity and social cohesion. This plan is much like that of Jencks (Center for the Study of Public Policy 1970). It would provide compensatory vouchers (larger vouchers for the poor and those with greater educational need) and no private augmentation of vouchers as well as transportation, information, a common curriculum, and regulation of admissions. In this map, the reduced range of choice provides a more limited advantage for vouchers in terms of freedom of choice, but still an advantage. Efficiency advantages at the school site are still sustained, but the high cost of the additional services increases the efficiency

advantages of the traditional system infrastructure. Although the traditional schools still show equity and social cohesion advantages, these have probably been reduced.

The third illustrative case comprises a situation where students in schools that have been deemed to be "failing" in performance are eligible for vouchers to be used at any other school that meets certain requirements. That is, the state has evaluated schools and declares that certain schools have been persistently below a reasonable standard, so their students are eligible to use a voucher to choose other schools. This is similar to the State of Florida's plan. The map suggests advantages to this voucher plan over the traditional school approach in the areas of educational choice, school site efficiency, and equity and advantages to the traditional schools in terms of infrastructure efficiency. But, the effects on social cohesion could go either way.<sup>14</sup>

The fourth case is that of the voucher demonstrations in Milwaukee, Cleveland, Dayton, and Washington, DC where eligibility is generally limited to populations from low income families. For these students, freedom of choice is expanded as well as school site efficiency. Systems of information, transportation, and monitoring are likely to raise the macro costs of infrastructure relative to the existing system. Choice should increase equity, if those students who stay in existing schools do not lose important peer influences and resources. As with the previous case, social cohesion can go in two directions. The diversity of school environments suggests that the common educational experience in the voucher schools will be less than that in traditional public schools. But,

---

<sup>14</sup> If we assume that social cohesion is largely determined by a common set of curriculum experiences, activities, and exposure to student diversity, both sides will have advantages. The traditional schools should have an advantage on curriculum and educational activities. If students from environments that are highly segregated socio-economically and racially are placed in more integrated environments, the voucher plan has an advantage. It is not clear which approach has a net advantage.

to the degree that voucher students choose schools that are more highly integrated racially and socio-economically, voucher schools may have a social cohesion advantage.

Even with these advantage maps, it is not possible to say which system is superior. The reason is that this depends on the priorities or preferences of particular audiences for particular outcomes. For example, a libertarian may weigh heavily the freedom of choice criterion relative to other criteria. In that case, all approaches to vouchers would be viewed as superior to the traditional system. A person favoring equity and social cohesion above all else would prefer the traditional educational system because of its advantages in the first two cases, but might be open to vouchers for students in "failing schools" or the poor. Thus, although the advantage maps provide a useful device for comparative purposes, these comparisons will require more precise measures of how the different systems perform as well as information on preferences.

It is also important to note that it is unlikely that any of these plans will remain intact over time. Regulations have a way of growing when public funds are used (Encarnation 1983). The political influences of special interests will make themselves felt on both the provisions of the plans and their implementation. Moreover, from a political perspective it is a very slippery slope from restricted voucher plans (e.g. for students in failing schools or for the poor) to general voucher plans of the Friedman or Jencks variety. As Encarnation (1983) has intimated, interest groups for whom the plan was not intended will push for coverage and entitlements for their children, even if this expansion undermines equity and social cohesion.

In summary, although we have presented the advantage map as a framework for its heuristic value, it needs to be elaborated considerably to be useful for the evaluation of

specific educational approaches. That is, each of the criteria needs to be set out in terms of its detailed components. Second, evidence must be gathered for evaluating specific proposals along these dimensions.<sup>15</sup> Finally, if we wish to understand the political feasibility of a proposal or plan, we must ascertain the priorities of particular populations for each of the criteria to ascertain which forms of the educational system are most preferable. This may differ among subpopulations, so these differences need also be identified.

### A Detailed Rubric

Providing a detailed structure of components that comprise each criterion is necessary if we are to convert a somewhat abstract category into a concrete set of dimensions that that can be identified and evaluated for each alternative. Each sub-dimension of the criterion can be converted into a rating scale that can be used to assess the consequences of a specific form of a voucher proposal or a competing educational plan on that sub-component as well as combining these for an overall rating for the criterion. The following are examples, but hardly a comprehensive listing, of such components:

- **Freedom of Choice:** Subcomponents of this criterion include the magnitude and range of school costs that will be covered by vouchers including special needs; the range of permitted school philosophies, religious practices, and educational goals that will be allowed; the degree of regulation of curriculum, admissions, and testing; short-run and long-run supply of schools (depending on population density, funding

---

<sup>15</sup> A promising model for this type of analysis is Catterall (1982).

incentives, and so on); the availability of information on alternatives; the availability of transportation.

- **Productive Efficiency:** This criterion includes a variety of measures of academic outcomes and costs for similar students and student services to produce these outcomes. Outcomes should include not only the standard academic subjects, but also other skills such as problem-solving, working in teams, and effective decision-making as required in high productivity workplaces. Academic achievement should include not only knowledge as measured on test scores, but also understanding and application of knowledge in real-world situations. Costs should include the costs of producing similar services for similar populations. Also, there must be a distinction between the costs of producing education at the school site and those associated with the system of monitoring and administering the educational system and providing support services (Levin and Driver 1997). A voucher system may require a range of support and administrative elements that are likely to be more extensive and costly than those of the present overall system.
- **Equity:** The components of equity include identification of the particular distinctions among populations that are the focus of equity such as race, income, gender, immigrant or language status, and geographical region. Availability of services to respond to special educational needs is also central. Components of analysis include the degree of access to educational opportunities, the quality of those opportunities including school resources and peers, and the probable educational outcomes for those groups. Some have expressed concerns about "cherry-picking" so that students left behind actually lose peers who are more advantaged and parents who would be

more active in changing the public schools. This too, should be accounted for in the equity measures.

- **Social Cohesion**--This criterion includes those common elements that prepare students for civic participation. In general, this encompasses exposure to history, political institutions and their dynamics, legal frameworks and institutions, citizen rights and responsibilities in the political and legal systems, economic institutions and their functions, and a common language. In addition, it may include an attempt to provide productive interactions with peers from different perspectives or cultures. It may also require community service and applications of the institutional framework in the classroom through debates, mock trials, "constitutional conventions," and other manifestations of citizen roles.

Each of these must be as fully developed as possible so that detailed comparisons of the impacts of different educational systems of finance and operation can be ascertained.

That means that not only must the dimensions be delineated; they must be placed into a form that permits assessment, much as we have illustrated with the advantage maps.

### Evidence

A second major goal for the framework is that of gathering evidence on the consequences of vouchers and other approaches for each criterion.<sup>16</sup> At the moment there is evidence on effectiveness at the school site which shows modest differences in favor of private and voucher students for student achievement in reading and mathematics (McEwan 2000). There is little evidence or mixed results on other academic measures.

The costs of the infrastructure for a voucher system would seem to exceed that of the

---

<sup>16</sup> Attempts to summarize the evidence include McEwan (1999), Levin (1998), and Goldhaber (1999)

traditional public school approach (Levin and Driver 1997). Studies of the impact of educational vouchers on improving competitive efficiency of schools is also modest and disputed (McEwan 2000).

The freedom of choice and cohesion dimensions have not been studied directly, but it seems obvious that marketplace approaches generally provide more choice than conventional neighborhood schools, but not necessarily more than public choice approaches such as intradistrict, interdistrict, magnet, and charter school plans. This has to be investigated more closely. Some inferences have been drawn about equity in terms of who chooses and receives the benefits of choice (Fuller, Elmore, and Orfield 1997). In general, minorities and the poor are less likely to choose and may be more limited in information and transportation access (Levin 1998). A concerted effort must be made to develop a wide range of reliable evidence and to use the rubric to evaluate the evidence.

### Preferences

Finally, we need to find how different populations set priorities among the criteria in establishing their own preferences for a particular kind of educational system. This does not mean that the best system is one that is reflective of individual opinions, summarized for particular demographic groups or geographical entities. It may be difficult for individuals to take account of the social purposes of schooling.<sup>17</sup> But, we believe that sophisticated public opinion polling can assist in providing the contours of preferences for a given population and segments of that population that differ by age, race, education, income, political orientation, and so on. By using sophisticated

---

<sup>17</sup> Discussions of the data collection with staff of Public Agenda for their report On Thin Ice (Public Agenda 1999) provide a sobering view of how well citizens understand the issues. Even when stated in the simplest terms, the issues are not easy ones to grasp for laypersons.

methodologies that allow respondents to distribute their preferences among a number of competing criteria, we might obtain data that enable us to judge tradeoffs using such methods as multinomial logit analysis and other statistical techniques.

### An Agenda

The construction of a detailed rubric, the gathering and summary of evidence, and the understanding of preferences represent activities of the Core Project of the National Center for the Study of Privatization in Education. These efforts will be developmental in the sense of providing preliminary results that will be subject to critical feedback and suggestions from a wide audience. Products will be placed on our website for such feedback. Subsequent efforts will be devoted to improvement and finer tuning.

FIGURE ONE--MAPPING THE ADVANTAGES OF DIFFERENT EDUCATIONAL APPROACHES

**Friedman Plan (free market)**

Description: Low initial voucher with add-ons, no information or transportation system, and little or no regulation.

	<u>Favors Traditional</u>	<u>Favors Vouchers</u>
Freedom of Choice		<b>X</b>
Efficiency		
School Site System	<b>X</b>	<b>X</b>
Equity	<b>X</b>	
Social Cohesion	<b>X</b>	

FIGURE ONE--MAPPING THE ADVANTAGES OF DIFFERENT EDUCATIONAL APPROACHES  
(Continued)

**Voucher Plan with Emphasis on Equity and Social Cohesion**

Description: Compensatory vouchers, transportation, information, common curriculum, and regulation of admissions.

Example: Jencks Plan (Center for the Study of Public Policy 1970)

	<u>Favors Traditional</u>	<u>Favors Vouchers</u>
Freedom of Choice		<b>X</b>
Efficiency		
School Site System	<b>X</b>	<b>X</b>
Equity	<b>X</b>	
Social Cohesion	<b>X</b>	

FIGURE ONE--MAPPING THE ADVANTAGES OF DIFFERENT EDUCATIONAL APPROACHES  
(Continued)

**"Failing Schools" Plan**

Description: Voucher limited to students in schools that are considered failing. In some cases, provisions are made for transportation, information, and curriculum & testing requirements.

Example: Florida Choice Plan

	<u>Favors Traditional</u>	<u>Favors Vouchers</u>
Freedom of Choice		<b>X</b>
Efficiency		
School Site System	<b>X</b>	<b>X</b>
Equity		<b>X</b>
Social Cohesion	?	?

FIGURE ONE--MAPPING THE ADVANTAGES OF DIFFERENT EDUCATIONAL APPROACHES  
(Continued)

**"Poor Families" Plan**

Description: Voucher limited to students from families that fall below some income threshold. In some cases, provisions are made for transportation, information, and curriculum & testing requirements.

Examples: Milwaukee Choice Plan, Cleveland Choice Plan

	<u>Favors Traditional</u>	<u>Favors Vouchers</u>
Freedom of Choice		<b>X</b>
Efficiency		
School Site System	<b>X</b>	<b>X</b>
Equity		<b>X</b>
Social Cohesion	?	?

## Bibliography

Bennett, W. J. (1987) James Madison High School: A Curriculum for American Students (Washington, D.C.: U.S. Department of Education).

Catterall, J. S. (1982) The Politics of Education Vouchers, Unpublished doctoral dissertation (Stanford, CA: School of Education, Stanford University).

Callan, Eamonn (1997) Creating Citizens (New York: Oxford University Press).

Center on Education Policy (2000) School Vouchers (Washington, DC: Center on Education Policy).

Center for the Study of Public Policy (1970), Educational Vouchers, Report Prepared for the U.S. Office of Economic Opportunity (Cambridge, MA: Center for the Study of Public Policy).

Chubb, John and Terry Moe (1990) Politics, Markets, and America's Schools (Washington, DC: The Brookings Institution).

Clune, William and John Witte, eds. (1990) Choice and Control in American Education, 2 Volumes (New York: Falmer Press).

Coons, J., W. Clune, and S. Sugarman (1970) Private Wealth and Public Education (Cambridge, MA: Belknap Press of Harvard University Press).

Coons, John E. and Stephen Sugarman (1978) Education By Choice (Berkeley, CA: University of California Press).

Cuban, L. and D. Shipps (2000) Reconstructing the Common Good in Education (Stanford, CA: Stanford University Press).

Encarnation, D. J. (1983) "Public Finance and Regulation of Nonpublic Education: Retrospect and Prospect," In T. James and H. M. Levin, Public Dollars for Private Schools (Philadelphia: Temple University Press), pp. 175-95.

Fein, L. J. (1970) "Community Schools and Social Theory: The Limits of Universalism," In H. M. Levin (ed.), Community Control of Schools (Washington, DC: The Brookings Institution, 1970), pp. 76-99.

Finn, C. E., G. Vanourek, B. V. Manno (2000) Charter Schools in Action (Princeton: Princeton University Press).

Fiske, E. B. & H. F. Ladd (2000) When Schools Compete: A Cautionary Tale (Washington, D.C.: The Brookings Institution).

Friedman, M. (1962) "The Role of Government in Education," In Capitalism and Freedom , (Chicago: University of Chicago Press), Chap. VI.

Fuller, B., R. Elmore, and G. Orfield (eds.) (1996) Who Chooses? Who Loses? (New York: Teachers College Press).

Goldhaber, D. (1999) "School Choice: An Examination of the Empirical Evidence on Achievement, Parental Decision Making, and Equity," Educational Researcher, 28, pp. 16-25.

Good, T. L. and J. S. Braden (2000) The Great School Debate (Mahwah, NJ: Lawrence Erlbaum and Associates).

Goodlad, J. I.(1997) In Praise of Education (New York: Teachers College Press).

Grissmer, D., A. Flanagan, and S. Williamson (1998), "Does Money Matter for Minority and Disadvantaged Students? Assessing the New Empirical Evidence," In William J. Fowler, Jr. Developments in School Finance 1997 National Center for

Education Statistics, U. S. Department of Education, NCES 98-212) (Washington, D.C.: U. S. Government Printing Office), pp. 13-30.

Guttman, Amy (1986) Democratic Education (Princeton: Princeton University Press).

Hanushek, Eric and Others (1994) Making Schools Work (Washington, D.C.: The Brookings Institution).

Henig, J. R. (1994) Rethinking School Choice (Princeton, NJ: Princeton University Press).

Hirsch, E. D. Jr. (1987) Cultural Literacy: What Every American Needs to Know (New York: Houghton-Mifflin).

House, E. R. (1998) Schools for Sale (New York: Teachers College Press).

Katz, Michael (1971) Class, Bureaucracy and Schools: The American Illusion of Educational Change (New York: Praeger Publishers).

Levin, H. M. (1987) "Education as a Public and Private Good," Journal of Policy Analysis and Management, 6, pp. 628-41.

\_\_\_\_\_ (1998) "Educational Vouchers: Effectiveness, Choice, and Costs," Journal of Policy Analysis and Management, Vol. 17, pp. 373-92.

\_\_\_\_\_ (1999) "The Public-Private Nexus in Education," American Behavioral Scientist, 43, pp. 124-37.

Levin, H. M. and Cyrus Driver (1997) "Costs of an Educational Voucher System," Educational Economics, Vol. 5(3), pp. 265-83.

McEwan, Patrick (2000) "Comparing the Effectiveness of Public and Private Schools: A Review of Evidence and Interpretations," Occasional Paper No. 3 (New York: National Center for

the Study of Privatization in Education, Teachers College, Columbia University). Available online <[www.tc.columbia.edu/NCSPE](http://www.tc.columbia.edu/NCSPE)>

Moe, Terry M. (1995) Private Vouchers (Stanford, CA: Hoover Institution Press).

Nathan, Joe (1996) Charter Schools: Creating Hope and Opportunity for American Education (San Francisco: Jossey-Bass).

Oakes, J. (1985) Keeping Track (New Haven: Yale University Press).

RPP International (1999) A National Study of Charter Schools: Third-Year Report (Washington, D.C.: Office of Educational Research and Improvement, U.S. Department of Education).

Peterson, P. E. & B. C. Hassel (eds.) (1998) Learning from School Choice (Washington, DC: The Brookings Institution)

Public Agenda (1999) On Thin Ice (New York: Public Agenda).

Schneider, M. (1999) "Information and Choice in Educational Privatization," Paper presented at the Setting the Agenda Conference, Teachers College, Columbia University (April 9-10). To be published in Educational Privatization: Setting the Agenda, Henry M. Levin, ED. (Boulder, CO: Westview Press, forthcoming).

Soder, Roger, Ed. (1996) Democracy, Education, and the Schools (San Francisco: Jossey Bass Publishers).

Sugarman, S. D. & F. R. Kemerer (eds.) (2000) School Choice and Social Controversy (Washington, DC: The Brookings Institution).

Tiebout, Charles (1956) "A Pure Theory of Local Expenditures," Journal of Political Economy, Vol. 64, pp. 416-24.

Viteritti, Joseph P. (1999) Choosing Equality (Washington, DC: The Brookings Institution).

Wells, A. S. (1993) Time to Choose (New York: Hill and Wang).

West, E. G. (1967), "Tom Paine's Voucher Scheme for Public Education," Southern Economic Journal, 33, pp. 378-82.

Witte, J. F. (2000) The Market Approach to Education (Princeton: Princeton University Press).