

**Occasional Paper No. 78**  
National Center for the Study of Privatization in Education  
Teachers College, Columbia University

**The New Wave of Voucher Programs?**  
**An Economic Analysis of the COCPP**

**Leighann Lenti**

**llenti@hotmail.com**

**Teachers College, Columbia University**

**Abstract** This paper reviews the regulations involved in the Colorado Opportunity Contract Pilot Program. The discussion of the regulations refers to finance, eligibility, and support services. Four criteria are applied to the program: does it offer freedom of choice? Will it promote efficiency? Is it fair? Does it promote the social good?

The Occasional Paper Series produced by the National Center for the Study of Privatization in Education promotes 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 this paper are those of the authors and do not necessarily represent the official views of the NCSPE.

If you are interested in submitting a paper, please contact:

National Center for the Study of Privatization in Education  
Box 181, Teachers College,  
525 W. 120<sup>th</sup> Street,  
New York NY 10027-6696  
[www.ncspe.org](http://www.ncspe.org)  
email: [ncspe@columbia.edu](mailto:ncspe@columbia.edu)

## **Introduction**

On April 16, 2003, Governor Bill Owens of Colorado signed the first state-sponsored voucher bill into law since the U.S. Supreme Court ruled in the *Zelman vs. Simmons-Harris* case one year ago. The Colorado Opportunity Contract Pilot Program (COCPP) will begin in the fall of 2004. If the COCPP does in fact reach full implementation, it has the potential to serve over 20,000 of Colorado's public school students within the next four years (Whaley, 2003). The COCPP has been designed as a targeted voucher program. The COCPP has been designed to specifically serve the state's neediest students, across 11 urban districts. The eleven districts in which there will be mandated use are: Pueblo District 60, Denver Douny 1, Colorado Springs11, Harrison 2, Greeley 6, St. Vrain Valley, Adams-Arapahoe 28J, Westminster 50, Adams County 14, Jefferson County R-1, and Northglenn-Thorton 12. In order for a student to qualify for the program, they must be eligible for the free or reduced price lunch program and have failed at least one CSAP test (the State assessment test) during the previous school year.

Henry Levin has developed a comprehensive framework for evaluating voucher plans. There are four major criteria that should be considered when analyzing a privatization plan. These four are freedom of choice, productive efficiency, equity, and social cohesion. Alongside these four criteria there are three policy instruments that can further aid in analyzing the specific mandates within choice legislation. The three policy instruments are finance, regulation, and support services. The goal of this paper is to: 1) examine the ways in which the three policy instruments are embedded within the COCPP legislation; 2) develop specific benchmarks for assessing the four criteria; and 3) predict potential consequences on each of the four criteria in direct relation to the three policy instruments. This approach allows us to analyze the COCPP and consider its possible impact on Colorado's schools.

## **Finance**

The policy instrument of finance involves inspecting aspects relating to the affordability of schools accepting voucher students, if the program is funded privately or publicly, if a parent can add-on to the voucher amount, and if the specified voucher amount will actually meet the educational needs of the students being served. The COCPP has a fairly detailed financial structure. Language was included in the legislation that specifically details when payments are made, who they are made by, who is making them, as well as the amounts to be paid. Despite these details, there is still some ambiguity surrounding issues related to fees for services and if parents can add-on to the voucher amount they are receiving towards their child's education. Before a detailed analysis of these shortcomings, a more detailed description of the financial tools described within HB 1160 will aid in assessing this particular area of the legislation.

The COCPP has been designed such that the funding a child receives to attend a private school of choice is directly subtracted from the school district they are currently students in. Simply stated, the COCPP is entirely publicly funded. It is estimated that each voucher will be worth approximately \$4,100 based on state funding averages (Richard, 2003). Because eleven districts will be participating, each amount a student receives in his or her respective district will vary when compared to the amounts students are receiving in other participating districts. See Table 1 for a complete list of the individual districts. The grade a child is in also plays an important role on the amount a family receives towards paying tuition at a private school. The percent breakdown based on grade level is as follows:

Kindergarten: 37 1/2 % of the districts per pupil expenditure (PPE)

Grades 1-8: 75 % of the districts PPE

Grades 9-12: 85% of the districts PPE (HB 1160, 22-56-108).

The reasoning for these funding differences is based upon the reasoning that as a child grows and progresses in school, their education becomes more expensive. For example, once a student reaches high school, the costs of materials for a science course far exceeds the costs of materials for an

elementary level science course.

Once a family has chosen a school for their child, the district then begins to make payments. The school district issues a check in the name of the parent to the participating school. The parent must then endorse the check before the actual withdrawal from the district transpires. 25% of a student's tuition is paid in September, 25% is paid in November, 25% is paid in February, and the remainder is paid in May (HB 1160, 22-56-108). Authors of the legislation claim that the structure for the COCPP has been designed to avoid the potential accusation that the Colorado Constitution and U.S. Constitution have been violated in relation to Church-State clauses. Instead of directly directing the funds to participating private schools, the districts are required to write the check in the name of the participating family. Then, the family may redirect those funds to the school of their choice, religious or non-religious. The ruling handed down in the *Zelman vs. Simmons-Harris* determined that if public dollars were given to the parents who then choose to redirect those monies to religious schools, the separation of church and state is not being violated. Despite this, some are claiming that the Colorado State Constitution will be violated if the program is enacted. Peter Cookson states, "To use taxpayer dollars to support religion seems to be bad, and even dangerous, policy" (p. 145).

The policy instrument of finance carries a heavy burden. While the COCPP has some very detailed language relating to the financing of the program embedded, there are also some serious discrepancies. Consider the idea that many schools, both public and private, require families to pay fees for services. These services can include science experiments, books for the school year, applications to attend a private school, etc. Not once does HB 1160 mention fees for services. This has the potential to create some problems. The most obvious, private school application fees. Many private (both religious and non-religious) schools require applicants to pay a processing fee. Will the district cover this expense? Or are parents expected to cover this fee? Alongside the lack of information on fees for services, the legislation also fails to mention if a family can

add-on to the voucher amount they are receiving from the district.

The affordability of the participating private schools must be considered. Because religious schools are in fact able to participate in the pilot program, one could argue that the tuition at those schools should most likely be covered by the voucher amount. However, consider the amount a student in kindergarten receives. 37 1/2 % of the districts PPE may very well fall far below the actual tuition required. Furthermore, not all parents will choose a lower-cost, subsidized religious school for their child. Many may choose a more expensive prep or day school. As a result, add-ons will become necessary for many participating families. If in fact a parent can add-on to the amount they receive, that fact was blatantly ignored in the legislation.

Two other areas relating to the financing of the COCPP may cause questioning and confusion. The funding of ESL and special education students was barely mentioned. In the case of ESL students, there was actually no mention if these students will receive different voucher amounts. In the case of special education students, HB 1160 only states that the private school a student attends must follow that student's individualized education plan (IEP) unless otherwise specified in the contract (22-56-107). Not once does the legislation discuss if these students are eligible to receive an increased voucher amount. Furthermore, the legislation does not require participating schools to accept special education and ESL students. The potential problems the ESL and special education students face as a direct result of the COCPP call to question the equity of the program. If in fact a student does not receive the necessary tools to receive the adequate education they deserve, the argument could be made that the COCPP is inequitable for that student.

Lastly, HB 1160 fails to mention transportation costs. Is the district required to provide transportation for students attending the participating schools? Or is that the sole responsibility of the parents? The safe transportation of students is not an inexpensive undertaking. The failure to mention this leaves a large gap in the finance structure of the COCPP.

## **Regulation**

The regulation of a voucher program specifically relates to aspects of curriculum, academic standards, if religious schools can participate, personnel requirements, facilities, student eligibility, and parental and school disputes. Using the policy tool of regulation to further analyze the COCPP will show that similar to the finance structure, some areas have been covered extensively in the COCPP while some others have been completely left out.

Consider eligibility. The COCPP has been designed as a targeted program. First, a student must be residing within a certain district. Specifically, a district in which at least eight schools received a rating of “low” or “unsatisfactory” during the 2001-02 academic year. Second, a student must qualify for the free or reduced price lunch program. Third, the student must have received a rating of “low” or “unsatisfactory” in at least one subject area of the CSAP test during the 2001-02 school year. If a student meets these requirements then they can be considered eligible for participation. The legislation further explains how students in grades K-3 are deemed eligible. Because students are not annually tested in these grades, the district considers factors relating to overall learning readiness, some of which directly relate to family risk factors. In some of the districts required to participate, specifically in Denver where 102 of the 140 schools were ranked as “low” or “unsatisfactory” during the 2001-02 school year, the potential for large numbers of students to qualify and exit the public school system is a stark reality (again, see Table 1). The COCPP took this possibility into consideration. The legislation has regulated the number of students eligible to participate in each district. The participation caps are as follows:

2004-05 school year: 1% of the districts total enrollment

2005-06 school year: 2% of the districts total enrollment

2006-07 school year: 4% of the districts total enrollment

2007-08 school year: 6% of the districts total enrollment (HB 1160, 22-56-104).

Once a child is deemed eligible, a fairly regulated application process takes places. First, parents submit applications for participation in the COCPP to the district. The district must notify the parents of their decision within fifteen days of receiving the application. HB 1160 specifically states how a district will award the available places in the program. Priority is given to students who participated in the program the previous school year. Any remaining placements are given by lottery. Priority is also given to siblings of those already in the COCPP. If participation caps still have not been reached, all remaining spots are once again given by lottery. All of these decisions are to be made by March 1 of the preceding school year so parents have sufficient time to apply to participating private schools (HB 1160, 22-56-104). Second, once accepted to the program, the parents begin the application process to the various participating private schools in their district. Again, within fifteen days of receiving the application, the private schools must notify the parents and let them know if their child has or has not been accepted to the school. Similar to the regulations for the district in awarding vouchers, section 22-56-140 states that the participating private schools may give priority to applicants who attended the school the previous year and siblings of students who attended the school.

The COCPP does give some detailed information on the regulation of employees in participating private schools, the school facilities, as well as academic standards. First, while no language relating to curriculum and educational instruction is included, HB 1160 specifically states that “the nonpublic school permits the school district, at the nonpublic school’s cost, to administer statewide assessments to the eligible children attending the nonpublic school pursuant to this article” (22-56-106 (e)). Despite the fact that a student no longer attends a public school, they are still required to take the Colorado state assessment each year. In relation to personnel requirements, the COCPP does not specifically state the educational attainment needed to teach in a participating school or if a teacher must be certified by the state; but the COCPP does require that all

employees, as well as potential employees, must be fingerprinted by the state.

Regarding facilities, the participating private school must meet the health and safety regulations set forth by the state. Furthermore, a school must ensure that it does not discriminate on the basis of race, religion, SES, disability, color, or national origin. Each year a private school which intends to participate must resubmit all of the necessary information regarding the history and administration of the school, as well as all other aspects previously mentioned. It should be noted that there is no requirement for participating schools to submit information regarding their academic performance.

While the articulation relating to areas of regulation is fairly well structured within the COCPP, there is only scarce information regarding parental and school disputes. The only information surrounding the area of disputes is pertaining to the withdrawal of students from either a private school, or the program as a whole. And while these two areas are very important and could potentially become the areas that would need the most resolution, these are not the only areas where disputes could potentially arise. Special education, for example, is already an area often surrounded by parental/school disputes. And while IDEA specifically gives parents the right to question and challenge the education their child receives (procedural safeguards), are these safeguards still guaranteed when a child receives a voucher and attends a public school? If a dispute does arise, does the district have a responsibility to mediate the interactions between the parents and private school? Because the infrastructure for handling potential conflicts has not been fully defined within the COCPP, this area of regulation has the potential to create tremendous difficulties.

## **Support Services**

The final policy instrument that is extremely useful when analyzing privatization plans is support services. Support services often focus on issues surrounding transportation, the dissemination of information, and dispute provisions. As noted earlier, there is no discussion of transportation within the

COCPP. Financially, this has the potential to create large problems. Transportation must also be considered as a support services. When a child attends a public school, transportation to and from the school is usually guaranteed. However, without specifically defining if a parent will still receive this service, the COCPP may face tremendous problems upon initial implementation.

The COCPP actually designed strong regulations regarding the dissemination of information. By December 1 of each school year, a participating district must provide the following information to eligible families: a description of the pilot program, the identities of participating private schools (as well as information about their basic history and administration), and an application to the program (HB 1160, 22-56-106). If a parent does in fact apply to the COCPP, the district must notify them of their decision within fifteen days of receiving their application. Utilizing an efficient time frame will benefit and aid families in making the best choices for their child. It is also made clear that a child must annually apply to the program to continue receiving a voucher. There are also information provisions relating to the participating private schools. Each district is required to electronically mail a list of potential applicants to the participating schools. These applicants are only the ones that have applied to the COCPP and have received a voucher.

Dispute provisions have the potential to become one of the most critical portions of a voucher plan. However, there is almost no discussion of the adjudication of disputes within the COCPP. The only discussion that could potentially relate to disputes is a statement pertaining to the withdrawal of students either from a participating private school or the program as a whole. The COCPP specifically states that a child can leave a participating school and transfer to another participating private school or return to the public schools without difficulties. This is only one small area that could benefit from more dispute provisions.

Because the COCPP is a new piece of legislation and has yet to be implemented, further research regarding the use of these three policy instruments, finance, regulation, and support services, is

needed. Levin has stated that “Implementation requires resources, monitoring, technical assistance, and sanctions” (Levin, 2002, p. 18). When considering freedom of choice, productive efficiency, equity, and social cohesion alongside the use of finance, regulation, and support services, specific benchmarks can be developed to assess these four, as well as determine if there are any potential consequences, both positive and negative, of the COCPP.

### **Freedom to Choose**

Establishing choice as one of the primary goals of the COCPP has been grounds for both support and criticism of the plan. On the day the bill was officially signed into law, Governor Owens proclaimed:

In Colorado, we no longer focus on what is best for the system. We focus on what is best for the children -- and that's important. Today, we empower thousands of Colorado families to choose the best school for their children

(April 16, 2003).

A banner above the table the legislation was signed on read “My dream, My choice”, and in Spanish “Mi oportunidad!” (McAvoy, 2003). Interestingly enough, five years ago, a voucher initiative was placed on the ballot and voters rejected the program. Despite that, enough support was garnered in both the House and Senate to pass HB 1160 (Richardson, 2003). Those who oppose the COCPP claim that parents already have choice, choice through magnet, charter, and alternative schools. Beyond those options are home schooling and open enrollment (Sanko, 2003).

Despite these available options, parents of the children eligible to receive vouchers are lacking one critical choice that wealthier families do in fact have, the freedom to choose a private school that requires out of pocket payments. Linking the choice of a child’s school to some basic liberty was a key piece in causing this legislation to come to fruition. In “Rhetoric versus Reality” (2001) Gill et al

recognize that the liberty arguments have become a crucial portion to the success or failure of voucher programs. Through the expansion of liberty, parents are essentially given one more option to choose from. When considering the choice provisions within the COCPP, there are two very important factors to consider when determining if participating families are actually receiving increased or decreased freedom of choice. First, religious schools are allowed to become participating private schools. This is a positive benchmark in favor of choice. Consider the case of the Milwaukee PAVE program. The PAVE program allows religious schools to participate. The number of voucher applicants far exceeded the actual number of vouchers available (Beales and Wahl, 1995). When the Milwaukee Parental Choice Program lifted the sanction regarding the participation of religious schools, the number of applicants also soared there (Wisconsin Legislative Audit Bureau, 2000). By allowing religious schools to participate, the COCPP is further extending the range of choices participating families will have. However, it could potentially become a hurdle for some families if the majority of participating schools they can choose between are religious. Not all parents will desire a parochial education for their children.

The second factor to consider when determining if parents will receive increased or decreased freedom to choose is related to the actual voucher amount. Discussion of the finance regulations of the COCPP showed that students in specific grades are eligible for varying voucher amounts. If the majority of private schools approved for participation by the district have extremely high tuition levels, parents enrolled in the program may not have an adequate number of schools to choose from. Because religious schools are in fact allowed to participate, there will most likely be a number of affordable schools. But, this will need to be further researched as the COCPP is implemented.

Mark Schneider makes the argument that parents can be viewed as stakeholders. He further explains that the dissemination of information on available schools within voucher programs is a critical

component. This notion has a deep caveat within its central argument. Further developing arguments made by J. Henig and S. Rose-Ackerman, Schneider states:

Many analysts who criticize choice argue that less educated parents will have difficulty making informed decisions about schools, and that the differences in decisionmaking capabilities will directly lead to social stratification (p. 77).

Taking this idea into account, the long-term implications of increasing a parent's freedom to choose must not be ignored. A plan like the COCPP has been designed to reduce stratification within the Colorado public schools. However, as Schneider, Henig, and Rose-Ackerman have all acknowledged, stratification actually has the potential to increase. Because specific regulations have been set forth in connection to the information parents will receive, the COCPP may have in fact controlled for this potential pitfall. Using the concept of stratification as a result of choice could be an excellent benchmark in determining if the freedom to choose increases or decreases. For example, if the public schools within the participating districts become more racially and economically isolated, social stratification will have increased as a direct result of and increased freedom to choose for some parents.

### **Productive Efficiency**

One of the most common arguments in favor of educational vouchers is that they will produce more efficiency and efficacy within the school system through better educational results. The development of this concept is based upon the introduction of market competition between schools and students. Once this competition is in place, incentives to better meet the needs of students and create educational productivity will become the result (Levin, 2002).

In their 1990 book "Politics, Markets, and America's Schools", J. Chubb and T. Moe argue in favor of a market-based voucher system. The authors imply that through school autonomy, specific goals, and incentives to perform well, schools can become more efficient. The COCPP will

actually allow parents to seek schools that are more autonomous, have clearly defined goals, and advocate positive performance. Chubb and Moe further explain that:

In a system where virtually all the important choices are the responsibility of others, parents have little incentive to be informed or involved. In a market-based system, much of the responsibility would be shifted to parents (their choices would have consequences for their children's education), and their incentives to become informed and involved would be dramatically different.

Using this concept as a potential benchmark in the COCPP will allow for assessment relating to increased productive efficiency. If in fact parents do have increased autonomy to choose schools within a market system, accountability would be shifted and incentives for individual schools would change drastically.

One distinctive feature about the COCPP is that it targets low-ability students specifically. From both the supply and demand sides, this targeting may make the COCPP harder to implement. On the supply side, private schools will be wary of enrolling students who are identified as under-performing; the conventional assumption is that these schools seek to 'cream-skim' the high-ability, income-constrained students. On the demand side, eligible families are less likely to use a voucher if their children are lower ability; evidence from randomized field trials indicated that voucher-takers have higher initial reading scores than voucher-decliners (Howell and Peterson, 2002, Table 3-6, p. 69), although the correlation is not perfectly consistent.

A large problem with the productive efficiency argument is that there are only questionable results about the effects of such a system. In Milwaukee, for example, students did show slight gains in math. In the New York voucher program, African-American students have, at best, also shown slight gains in math (Gill et al, 2001). Despite these slight gains, there has been no direct evidence to confirm the claim that a market-system has given schools incentives to increase their efficiency and efficacy. Because the COCPP has been designed so that participating students must still

be tested annually via the state assessment, improvements at the individual student level can be used as a benchmark. For example, if a student shows annual gains while they are participating in the COCPP, the argument could be made that market competition and the freedom to choose have yielded positive benefits. However, translating the results to the system will be difficult. The eleven districts that are required to participate can also be used as a benchmark to determine if productive efficiency had resulted in positive or negative outcomes.

At the macro level, if a district begins to show improved test scores and if parental satisfaction levels increase, for example, one could easily contribute these improvements to the concept of productive efficiency. Pueblo City 60, where 11 of the 39 schools have been ranked as “low” or “unsatisfactory”, can be considered a marginal district. The incentive for this district to improve may be greater in comparison to a district such as Denver, where the number of underperforming schools far exceeds the minimum of 8. At the micro level, if an individual school within a district begins to meet the needs of its students better and shows enough educational improvement to move out of the “low” or “unsatisfactory” rating, than productive efficiency may have accomplished its goal of creating incentives for schools to improve their effectiveness and efficacy. However, for a school already performing at a satisfactory level, the incentives for that specific school to improve will be very low. As implementation of the COCPP moves forward, careful analysis of district and school performance have the potential to further support, or detract from the productive efficiency criterion.

## **Equity**

In their 1978 book “Education by Choice: The Case for Family Control”, J. Coons and S. Sugarman argued that a targeted voucher system is “egalitarian; it holds for one area of the child’s life [education] the socialist ideal of an equal portion” (p. 2). When considering who supports vouchers, researchers have found that it is often families whose children are in the lowest achieving schools and

often have the greatest need for educational options (Gill et. al., 2001). The design of the COCPP supports the argument that students receiving vouchers will have the opportunity for more equity within their schooling. This concept can be easily linked to the notion that as parents have more freedom to choose equity automatically increases.

In his 2001 book “Schools, Vouchers, and the American Public”, T. Moe states:

The fact is, the current system is already horribly inequitable, because it is based on a perverse form of choice: people with money can acquire better schools by moving to the suburbs or paying private tuition, but poor and minority parents often do not have these choices and get stuck in our society’s worst schools. Social equity demands that real choice be extended to the disadvantaged, allowing them to leave bad schools, seek out better ones, and exercise the kind of control advantaged people already have (p. 29).

Moe makes the argument the voucher proponents often tie to equity: the system is already inequitable, and it is the disadvantaged students that suffer the most from the inequities. In the case of Colorado, the COCPP is a direct answer to this problem. However, inequity may actually increase as a direct result of the COCPP. Developing benchmarks surrounding equity is not a simple undertaking. Despite this, there are two potential benchmarks that will aid in determining if equity within the system increases or decreases upon implementation of the COCPP.

First, carefully inspecting the number of applicants compared to the number of available vouchers available in each district will help determine if the COCPP is equitable. For example, if during the 2005-06 school year the number of applicants far exceeds the number of available vouchers, carefully examining if the vouchers are awarded in accordance with the legislation will determine if the system is truly equitable. For the students who do not receive the voucher, they may very well feel that this program is extremely inequitable. Afterall, they are already trapped in a failing school and were not given the opportunity to leave that school as a direct result of the design of the COCPP.

The second benchmark that could be used to assess the equity criterion within the COCPP directly relates to the establishment of regulations and monitoring. As regulation within the program increases to ensure equity, it is possible that the freedom to choose and productive efficiency may decrease. However, if establishing equity for students trapped in failing schools is the ultimate goal of the COCPP, regulation and monitoring will become the critical components of expanding equity throughout the Colorado school system. If implementation of the COCPP does in fact proceed in accordance with the legislation, the actual implementation may produce an excellent benchmark for measuring the criterion of equity.

### **Social Cohesion**

Critics of vouchers often argue that the public schools are the one place that social cohesion can be taught. After all, if the democratic purpose of schooling is to prepare students for civic participation within society, the public schools are the only place where all students can be exposed to the same educational experiences. These ideas have been defined as the ground rules for social cohesion (Levin, 1999). One could easily make the claim that vouchers will decrease the amount of social cohesion necessary to sustain the ideals of America's democratic society. For example, parents may choose schools that teach values that society as a whole does not accept. Beyond that, social capital must be contemplated.

In relation to the COCPP, will the parents that take advantage of the vouchers make their choices to benefit a group or themselves? One can assume that they will choose a school based upon their individual wants and needs. This "question" can become a benchmark to assess the effects of the COCPP on social cohesion. After all, the choice plan was developed to allow parents to make the choices they feel will benefit their child the most. If the majority of families participating in the pilot program choose religious schools for their children, it is possible that the social cohesion within a school

district will stray from its original ideas.

Another potential benchmark that could be developed directly involves the role that individual districts will play in the COCPP. A private school that wishes to participate must be approved by the district. Most likely, a district will seek schools that promote the same general ideals embedded within the district. Through the process of determining which schools become participating schools, social cohesion can be accurately appraised. It should be noted that similar to equity, creating regulations and monitoring systems that ensure social cohesion could potentially decrease freedom of choice and productive efficiency.

### **Potential Consequences**

Because the COCPP has yet to be implemented, the potential consequences discussed will be based upon the provisions of the plan according to the three policy instruments of finance, regulation and support services. For each of the four criteria, freedom of choice, productive efficiency, equity, and social cohesion, both positive and negative consequences can be determined based upon the use of the three policy instruments.

Beginning with freedom of choice, the regulations within the COCPP have been designed to serve a targeted population of students, a population that normally does not have the option to choose a private school. By allowing these families the opportunity to choose schools that best meet the needs of their child, a positive consequence of the COCPP is the increased freedom of choice for these families. Another potential positive consequence based upon the instrument of regulation is the fact that religious schools can become participating schools. This allowance will further increase the option for participating students. One major negative consequence of this increased freedom of choice relates to an aspect of support services. If compliance by districts in relation to the dispersion of information is not carefully monitored, it is possible that parents will lack adequate information to make fully informed

decisions. This is when the monitoring of implementation will become a critical component in the success or failure of the COCPP.

Productive efficiency could have two major positive consequences. First, at the macro level, school districts may in fact have an incentive to improve their efficiency and efficacy. Relating this concept to the instrument of finance, while money alone cannot determine a districts success or failure, it can have a large influence. As the COCPP proceeds and grows yearly, participating districts will lose more funding each year. By improving their effectiveness in educating students, it may indeed create the incentive for some students to remain in the public schools. Second, at the micro level, individual schools may also have the same incentives that entire districts experience. As a school begins to meet the needs of its students better and improve overall performance, it can potentially encourage students to remain in the school. A major negative consequence of the COCPP directly relates to the regulation of participating private schools. Because there is a lack of information on academic standards within the COCPP legislation, it is possible that families may in fact choose schools that are also under performing. Again, careful technical assistance and monitoring of district and participating school compliance will be the key in alleviating this potential negative consequence.

Equity within the Colorado school system could increase or decrease as a direct result of the COCPP. The families that do in fact receive vouchers and an increased freedom to choose will most likely feel as if equity has increased. Those that apply for vouchers but do not receive them will most likely feel that the equity within the system has actually decreased. As monitoring and implementation of the regulations relating to the awarding of vouchers is put into place, freedom of choice and efficiency may decrease for participating families. This becomes a potential negative consequence. A give-and-take relationship must be developed to ensure that there is compliance with the legislation while still allowing families full latitude when choosing schools.

Similar to equity, social cohesion has one major negative consequence: freedom of choice and efficiency may have to decrease to ensure social cohesion. By regulating which schools are allowed to become participating private schools, the number of choice options available to families will most likely decrease. But at the same time, these types of regulations will help to guarantee that families are choosing schools that promote the same basic ideals embedded within the public schools.

## **Conclusion**

As implementation of the COCPP proceeds, tremendous research opportunities will present themselves. If the COCPP does reach full implementation, it will become America's largest voucher program. Determining the effectiveness of this program has the potential to create long-term and systemic change not only in Colorado's school system, but also throughout the Nation. It is evident that the COCPP was designed to increase choice. Actually researching these criteria based upon the use of finance, regulation, and support services will allow state officials to determine the effectiveness of the program. Productive efficiency is also an area that will need to be observed and researched carefully. If in fact individual student achievement, school (or micro) level achievement, and district (or macro) level achievement all increase, voucher advocates will have a strong argument in favor of a market system of schooling. If achievement in these areas remains stagnant or decreases, voucher opponents will be able to strengthen their argument.

The criteria of equity and social cohesion carry heavy burdens. Increasing equity and social cohesion could very well decrease the freedom of choice and productive efficiency. However, if the proper monitoring, technical assistance, and regulations are followed, the COCPP could very well succeed in accomplishing its goals.

The Colorado Opportunity Contract Pilot Program may become either a model of success or

failure for further voucher programs. If the use of the three policy instruments embedded within the language of the legislation are implemented carefully and thoughtfully, success is possible. But because there are some large gaps within the policy instruments (e.g. transportation, dispute provisions, special education, etc.), problems may surface. As implementation proceeds, analyses of the COCPP based upon freedom of choice, productive efficiency, equity, and social cohesion, as well as finance, regulation, and support services will be the key in determining the effects of the program.

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**Table 1: Districts Where Vouchers Will Be Available**

<b>District</b>	<b>Students</b>	<b>Schools</b>	<b>Schools Ranked Low or Unsatisfactory</b>	<b>Private Non- Religious / Religious Schools</b>
Adams -Arapahoe 28J	31,528	51	35	0 / 10
Adams County 14	6,587	12	11	0 / 1
Colorado Springs 11	32,808	64	20	21 / 15
Denver County 1	72,361	140	102	18 / 43
Greerly 6	16,527	32	18	1 / 6
Harrison 2	11,053	23	16	0 / 0
Jefferson County R-1	88,460	166	23	24 / 23
Northglenn-Thorton 12	31,544	46	16	3 / 5
Pueblo City 60	17,738	39	11	3 / 8
St. Vrain Valley RE1J	20,736	37	13	6 / 8
Westminster 50	11,283	25	15	2 / 3