

POLITICO

Breaking the Link Between Home Prices and School Quality

A decent education shouldn't require living in a ritzy neighborhood.

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September 13, 2015

Too often the cost of your home decides the quality of your child's education. This perverse link frequently puts devoted parents in impossible situations.

Consider the case of Washington, D.C., police officers Lt. Alan Hill and Sgt. Candace Hill, who may have broken the law when they allegedly enrolled their three children in some of D.C.'s best-performing schools despite living outside the school district. Now the District is suing for more than \$224,000 in back tuition and penalties.

The District alleges that the Hills used the address of a one-bedroom apartment in Northeast D.C. they owned but rented to other people to enroll their children in city schools for a decade. Although they paid taxes on that apartment, which was located near where they worked for the District, they did not reside there.

What the Hills are accused of doing is wrong, but their actions are also a response to a system in which students are assigned to a school based on where they live. No other basic government service operates this way. Even low-income families using Medicaid or the Supplemental Nutrition Assistance Program are not assigned doctors or grocery stores based on the location of their home.

Sadly, access to a quality education is too often dependent on a family's ability to purchase a home in an expensive area. As The Washington Post reported recently, the median price of a three-bedroom home in a D.C. neighborhood zoned to a public school where reading proficiency rates exceed 80 percent is about \$800,000. The median price of similar homes near Eaton Elementary, where the Hills enrolled their children, is north of \$1 million. Where the Hills resided in Maryland the median home prices ranged from a much more affordable \$330,000 to \$460,000.

There is a strong correlation between these housing prices and school performance. In nearly all D.C. neighborhoods where the median three-bedroom home costs \$460,000 or less, the percentage of students at the zoned public school scoring proficient or advanced in reading was less than 45 percent. Children from families that could only afford homes under \$300,000 are almost entirely assigned to the worst-performing schools in the District, in which math and reading proficiency rates are in the teens.

If policymakers truly believe in equality of opportunity, they must do more to sever the link between education and housing. The District has taken some important steps in the right direction — allowing parents to apply to charter schools and out-of-boundary district schools — but long waiting lists at the best schools have limited their usefulness for most families.

The District's greatest step forward was the creation, in 2003, of the D.C. Opportunity Scholarship Program, which granted thousands of scholarships worth up to \$12,500 to low-income students to attend a private school of choice. Since its inception, the D.C. OSP has offered more than 6,100 scholarship recipients a lifeline out of the failing and sometimes dangerous district schools to which they had been assigned.

Although the scholarships cost a mere fraction of the nearly \$30,000 spent per-pupil in D.C. Public Schools, the results have been impressive. According to a random assignment evaluation by the Department of Education, 91 percent of students who used an OSP scholarship to attend a private school graduated high school, compared to just 70 percent of students who applied for, but were not awarded, a scholarship.

High school graduation is essential for upward mobility. Graduates live longer, earn more and are less likely to go to prison than nongraduates. They also benefit society at large by paying more in taxes and consuming less government aid. A study published in the peer-reviewed journal *Education Finance and Policy* found that by raising graduation rates, the OSP produced \$2.62 in public benefits for every \$1 spent on it.

The OSP has been a success, but it's time for the District to take the next step: education savings accounts. ESAs are restricted-use savings accounts parents can use to purchase a wide variety of educational products and services using a portion of the public funding that would have been spent on their child at their assigned district school.

ESAs are an improvement on the traditional voucher model because they empower families to completely customize their child's educational experience. In addition to private school tuition, parents can spend ESA funds on tutors, textbooks, online courses, special education services and therapies, home-school curricula, and individual public school courses. ESAs even enable families to roll over unused funds from year to year.

These features also make ESAs more economically efficient than vouchers. Whereas traditional vouchers must be spent in their entirety at a single school each year, thereby creating a price

floor, there is no minimum amount that ESA holders must spend in one place. The ability to spend ESA funds at multiple vendors or save them for future educational expenditures also gives parents a stronger incentive to economize, which should mitigate tuition inflation.

Since Arizona pioneered ESAs for students with special needs in 2011, Florida, Mississippi and Tennessee have enacted similar ESA laws. This year, Nevada enacted the first nearly universal ESA for all public school students.

It's too early to measure the impact of these programs on student performance or attainment, but there are already hopeful signs. A survey of Arizona ESA parents in the first year of the program found unanimous satisfaction with the ESA option, including 71 percent of respondents who were very satisfied. By contrast, only 43 percent were satisfied with the public school their child previously attended.

The survey suggests that low-income families have the most to gain. The lowest income respondents — those earning less than \$28,000 per year — were the most dissatisfied with their previous public school (67 percent) and most satisfied with the ESA program (89 percent very satisfied).

Policymakers in and around the nation's capital should follow suit. Because the District is under federal jurisdiction, Congress has a rare opportunity to advance a robust school choice option that is both constitutionally appropriate and would make a real difference in the lives of its young citizens by making every child in D.C. eligible for an ESA. In adjoining Maryland and especially Virginia, state policymakers should consider funding the ESAs through tax credits to donors who give to nonprofit scholarship funds in order to avoid any potential constitutional issues.

Parents such as the Hills shouldn't have to risk financial ruin to provide their children with access to a decent education. An ESA for every student would put D.C. and surrounding states on the cutting edge of education innovation and choice and would give all students — no matter where they live — access to quality education.

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