

Forbes

Will Regulations Chase Schools Away From Vouchers?

Peter Greene

October 4, 2018

For a school voucher system to work the way its fans say it will, schools beyond the public system have to participate.

This has always been problematic. Most voucher problems do not cover the cost of tuition to an elite private school, and elite schools stay elite by being very particular about which students they accept. If you are a top-rated private school that collects a hefty tuition fee from students who have competed in crowded field to gain admission to your school, why exactly would you want to participate in a school voucher program?

A recent study from the libertarian-loving Cato Institute suggests another reason that private schools would shun a voucher system. Authors Corey DeAngelis and Blake Hoarty suggest that the more regulations you impose on a voucher system, the fewer top-quality private schools are willing to become involved. In other words, the more you regulate a voucher system, the worse it gets. This is not exactly a surprise conclusion for a pair of libertarians to reach. Does it really make sense.

The authors note that the moment a voucher system is put in place, private schools have to weigh the benefits and costs of such a system. And "the major benefit of participating in a school voucher program is, of course, the voucher revenue." Therefore, any school that has no trouble filling seats and is financially flush has no reason to sign up to be a voucher school (Well, unless it wants to gain the system by bumping up tuition costs to collect vouchers on top of the tuition that parents are already paying.) But as the authors correctly note, it is lower-quality schools that will have greater incentive to join a voucher system.

The authors blame this effect for the negative test score results in the DC and Louisiana voucher programs-- the program became too loaded with lousy private schools hoping to make a buck

from the voucher system. Scores from the Big Standardized Test make a lousy measure of school quality, but we've seen this voucher effect elsewhere. For profit colleges built an entire business model based on grabbing GI Bill dollars but have largely failed to provide actual educational benefits to their students. When the government is giving out no-strings-attached money, predatory practices tend to appear.

The authors contend that attaching strings drives high quality private schools away from voucher programs. Complying with regulations can be expensive as well as contradicting the school's mission. The Milwaukee Parental Choice Program requires private schools to allow students to opt out of religious programs-- and roughly 90% of the participating voucher schools are religious schools.

But regulations also include requirements like financial audits and actual teaching licenses or bachelor's degrees for all staff. These regulations seem not so much onerous as necessary common sense. And this study does not really address the problems that might arise in schools without such regulations.

Even if we accept the idea that fewer regulations bring in more high quality private schools, it seems likely that fewer regulations would also bring in more low quality schools. Fans of the free market may argue that the good schools will drive out the bad ones. But research suggests that parents choose schools based on factors other than academic quality, such as distance and extracurriculars.

The authors are focusing on improving the pool of schools as a group, like trying to raise a team's batting average by adding a few heavy hitters. But we're talking about averages. The average quality of voucher schools might go up, but the system will still include some lousy schools which will be free to become even lousier as regulations are lifted.

Let's say you're running a choir. Currently, you require every singer in the choir to be able to read music, run scales, and have decent relative pitch. But you suspect that your requirements are keeping out some really good singers, so you announce that from now on there will be no regulations limiting who can join your choir. You may pick up some great singers, but you will also pick up a bunch of tone deaf yawlers who can't even safely sing in the shower. Has your choir gotten better? That seems unlikely.

Reducing regulations opens up the field at the top end and the bottom end, and your top end private schools still don't need your voucher money, so they're still not signing up. The study's finding is that the schools with higher tuition level are less likely to participate, and while they may crunch numbers to come up with a correlation, the real issue remains the same-- Jeff Bezos doesn't clip coupons, Bill Gates is not shopping for low-cost subsidized housing, and private schools that can fill all their seats with students who pay full priced top dollar do not need your voucher program for anything.

The study is a nice attempt to argue for deregulating voucher schools, but in the end, it fails to make its case.