

## More Regulation and Less Diverse School Options

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November 14, 2017

The first experimental evaluation to find negative impacts of a voucher program on student achievement was released to the public over two years ago. Since then, education scholars and public officials have debated whether the initially large negative effects in Louisiana could be explained by the program's burdensome regulations. While some education policy analysts argued that the state-testing mandates and open-admissions policies deterred higher-performing private schools from participating, others contended that the program might have performed even worse without the rules in place to ensure that parents only chose high-quality educational institutions.

The discussion heated up again three months ago with the release of the Louisiana Scholarship Program's (LSP) third-year reports showing that students using a voucher caught up to their public school peers on test scores. Just after the public release, John White, Louisiana's superintendent of education, reasoned that "it may very well be the regulation itself – the accountability system – that is the thing that has promoted the performance."

However, one of the third-year reports released by researchers at the University of Arkansas addressed this very issue and concluded that the heavy regulatory environment in Louisiana may have driven away higher-quality private schools from participating in the program at all. Likewise, we just released an analysis examining whether school voucher environments in Louisiana, D.C., and Indiana affected the specialization of the private school market overall. We found that when individual private schools switch into highly-regulated voucher environments such as Louisiana, they are less likely to self-identify as specialized or nontraditional educational institutions.

### Theory

Since the voucher programs in question are funded by taxpayers, the public has a legitimate interest in understanding the impact of regulations on private school function and structure. When publicly funded private school choice programs are introduced, most public officials have good intentions when attempting to guarantee that families have access to high-quality educational institutions. In a well-meaning attempt to control levels of school quality and institutional equity, policymakers require that private schools comply with regulations associated with academic quality, financial viability, and access.

Nonetheless, efforts to ensure “accountability” through regulations mirror the various policies governing traditional public schools. If government officials decide to regulate private schools operating within a voucher environment in the same way traditional public schools are regulated, the supply of schools in the private market is expected to become similar to public schools over time. Obviously, private schools that participate in a voucher program will behave more like public schools if they are required to do many of the same things: focus on state standardized tests, fill out supplementary paperwork, and conform admissions processes to the government model.

We expect that private schools in the most-heavily regulated program, the LSP, will be the most likely to experience reductions in specialization. After all, only a third of the private schools chose to participate in the LSP, while between 70 and 78 percent of private schools participated in the programs in D.C. and Indiana. The unusually low LSP participation rate may be because the program is targeted to the least advantaged children in Louisiana and requires students to take the state’s standardized tests and schools to have an open-admissions process.

## **Results**

Every other year, private school leaders provide information about their institutions using the nationally representative Private School Universe Survey (PSS). For our analysis, we examine changes in responses to question eleven which asks school leaders to check one box that best describes their private institution. We examine whether switching into voucher program environments influences the relative likelihoods that private school leaders report that their institutions are regular, specialized, or alternative schools.

As shown in our study, three out of the four effects that were statistically different from zero were in Louisiana. After switching into the voucher program environment in Louisiana, individual private school leaders were around 4-percentage points, or about a tenth of a standard deviation, more likely to identify as regular schools. Furthermore, private school leaders in Louisiana were around 2-percentage points, or about a fifth of a standard deviation, less likely to identify as schools with a “special program or emphasis,” and about 2-percentage points, or around a tenth of a standard deviation, less likely to identify as “schools that offer a curriculum designed to provide alternative or nontraditional education.”

In addition, we found that private school leaders in the nation’s capital were about 10-percentage points, or over a half of a standard deviation, less likely to report that they were alternative schools. This may be because the D.C. voucher program was the only one that required teachers in core subjects to have a bachelor’s degree. It may be that D.C. private schools that provided a nontraditional or alternative education relied more heavily on a robust supply of diverse teachers.

No statistically significant impacts were detected in Indiana, the more lightly regulated voucher program of the three. Although Indiana private schools participating in the state voucher program are required to take the state test, the fact that most did so prior to the introduction of the voucher program in order to be eligible for the high school athletics association may have mitigated the effect such a regulation would have otherwise had on school participation.

But why does this matter? What does this mean for the education of children going forward? Since individual student needs, learning abilities, interests, and desires are all unique, specialized services ought to lead to improved outcomes. Conversely, access to schools that mimic the district system may not offer much additional choice at all. Consequently, homogenization in the supply of schooling options could have led to the recent negative experimental impacts revealed in Louisiana.

While a hearty set of program regulations may be tempting to policymakers, especially since they give well-intentioned public officials the illusion of quality-control, the disheartening result may be a less meaningful set of choices for parents and their children.

Our results suggest that burdensome packages of regulations likely limit schooling choices in an unfortunate way. Policymakers and school choice advocates interested in establishing a robust universe of education options that are responsive to family needs and preferences should limit red tape and enable private schools to retain their unique identity and character

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