

Proposition 38 Makes Promises It Cannot Keep

by
Luis Huerta

Center for Education Research, Analysis, and Innovation
School of Education
University of Wisconsin-Milwaukee
PO Box 413
Milwaukee WI 53201
414-229-2716

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California's Proposition 38 would generously award tax dollars -- at least \$3 billion in portable vouchers -- to parents who send their children to private schools.

The seductive simplicity of the voucher idea has attracted an odd set of bedfellows. Wealthy parents, who already use private schools, are eager to reap this hefty sum in tax relief, and some Latino and black leaders see vouchers as liberating for parents who feel trapped in mediocre public schools.

Yet it's the unexpected coalition that opposes Prop. 38 that is most surprising: the conservative Howard Jarvis Taxpayers Association, local Catholic leaders who see it as welfare for the well-off, teacher groups and pro-voucher advocates who prefer targeting vouchers on low-income parents.

These opponents realize that the \$4,000 voucher provided in Prop. 38 would be a weak incentive for private schools to expand. The initiative's author, Silicon Valley investor Tim Draper, believes deeply in the magic of markets: that a voucher worth only one-half the actual cost of educating a child each year would spark the creation of new private school classrooms and a panoply of new schools.

But a serious look at the private-school landscape in California suggests otherwise. Private schools currently serve about 650,000 of California's 6 million students, with nearly 80percent of private-school students attending religious schools. With only a \$4,000 voucher in hand, parents choosing to exit public schools could only afford lower-cost Catholic schools, where yearly tuition averages \$2,200 for elementary and \$4,000 for high schools.

But would school choice on the cheap really spur private schools to more than double their enrollments, to the tipping point where the state would save more money from this parental exodus from public schools than it would pay to those already using private schools? A recent UC Berkeley-Stanford study concluded that the voucher would not pack a sufficient economic punch to increase the number of spaces in private schools, since \$4,000 would fall short of actual per-pupil costs. Tuitions are low at parochial schools because they are subsidized by local dioceses, parishioners and endless fund-raising efforts on the part of committed parents.

Private schools already face cruel market forces. Despite their fund-raising efforts, they can only afford to pay teachers two-thirds the average earnings of public-schoolteachers. How will they double their teaching staffs to expand, given California's severe teacher shortage? Next, consider recent findings from the California Catholic Conference revealing only 32,000 empty desks among the state's 4,200 private schools. This means that fewer than 0.5 percent of California's students could initially participate in the Prop. 38 voucher program.

Robert Teegarden, policy adviser to the state's Catholic bishops, argues that the prospects of building new private schools to meet further demand are dim. "Although it would be possible to shift current tuition subsidies toward new construction, a \$4,000 voucher would still be insufficient to provide for both capital and educational costs," according to Teegarden.

If private schools were unable to more than double their enrollments, Prop. 38 would become the most expensive school reform ever attempted in California. Sacramento's Legislative Analyst Office estimates that even if private schools

could create 300,000 additional student spaces, a whopping 50 percent expansion, taxpayers would still pay out \$2 billion in vouchers to mainly affluent parents who already use private schools, a hefty price tag for little expansion of school choices.

In short, Prop. 38 is a huge crapshoot. No one questions the need to widen school choice, as with creating publicly accountable charter schools, especially for poor and blue-collar parents who can't afford to exit their neighborhood school. But Prop. 38 would immediately reward the rich. Beyond this, the initiative offers only false hopes for other families and a costly economic gamble for private schools.

Luis Huerta is a research associate at the Graduate School of Education at UC Berkeley.