

NEPC Review: The Reality of Switchers (EdChoice, March 2024)



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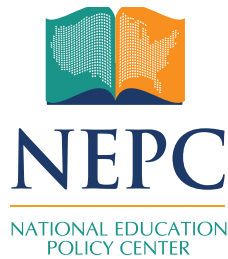
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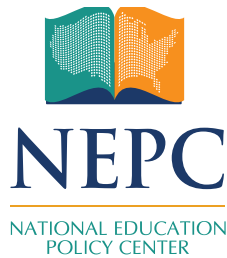
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Summary

Widespread reporting across multiple states has confirmed a pattern established by researchers of school voucher schemes: that new voucher programs subsidize a large number of students already in private schools. Most initial voucher users were already in private school or had otherwise not been enrolled in a public district. This undercuts a key argument used to expand vouchers: that they are cost-saving measures because they supposedly move students from public to private schools, removing expenses associated with educating those students in public schools. Despite the prevalence of this pattern, conservative think tanks periodically deny or obscure its importance and continue to frame vouchers as a new opportunity rather than a tax subsidy for existing behavior. The latest of these efforts, *The Reality of Switchers*, published by EdChoice, uses proprietary data from voucher distribution organizations to argue that because some portion of previously non-public voucher users were benefiting from voucher-like tax credit systems prior to using the voucher itself, new impacts of their attendance on state budgets are minimal. This report also repeats overly simplistic analyses of voucher costs that obscure their real impact to taxpayers; it does this by comparing voucher maximum limits to standard per-pupil payments to local public schools. Even setting aside these problems, however, the report does not meaningfully dispute the established pattern that most voucher students were not enrolled in public school beforehand.



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I. Introduction

Over the past two years, as state legislatures controlled by far right-wing extremists have pushed new or expanded school voucher systems (“Education Savings Accounts,” or ESAs), a particular fact has emerged among beneficiaries: Most voucher users are not coming from public schools.¹

Drawing on both state agency releases and analysis by independent researchers, reports from across the country estimate that between 65% and 90% of voucher users were either in private school already, homeschool, or, at best, beginning kindergarten. These numbers have been confirmed consistently by journalists in Arizona, Arkansas, Florida, Indiana, Iowa, Missouri, New Hampshire, Ohio, and Wisconsin.² National media outlets, including *Education Week*, *Politico*, and the *Wall Street Journal*, have echoed these conclusions.³ Taken together, the reporting confirms a pattern identified by experienced researchers and program evaluators since at least 2007: that the vast majority of vouchers amount to subsidies for students who have never been in public school.⁴

Many of these programs (especially Arizona, Florida, and Ohio) approach near-universal status in their voucher systems. They can differ in economic and demographic diversity, size, and scope. Yet despite these distinctions, the fact that most users were not in public school is a universal feature of voucher systems themselves and not particular to the state in which those vouchers are available.

All of this notwithstanding, the voucher advocacy group EdChoice published a new policy report, *The Reality of Switchers*, authored by Martin Lueken, that takes issue with the overwhelming evidence establishing that most voucher users have never attended public schools.⁵ This report is reviewed here.

II. Findings and Conclusions of the Report

Importantly, the report concedes that most voucher users were not in public school immediately prior to their use of a voucher. This is by far and away the key point in any debate purporting to show that vouchers are needed to rescue students from so-called failing public schools. Apart from this conclusion, the report assumes that some percentage of voucher users would have eventually become or returned to public school in the absence of the voucher system, and that such students should be counted toward cost-savings. Its “savings” are calculated by comparing the amount of the voucher to state per-pupil spending allowances, which are usually higher. The difference between them results in “savings.” On the one hand, the report concludes that the voucher programs generate long-term fiscal benefits for New Hampshire and Iowa.⁶ Yet it also concludes that it is too early to know the true impact of universal programs, they may not be fiscally sound, and that “wisdom and patience” should guide policy decisions.

III. The Report’s Rationale for Its Findings and Conclusions

The report contends that many voucher users in the states studied were using voucher-like tax credits or other private scholarships to attend private school and, therefore, should not be counted as students who were already using a voucher, or “non-switchers,” in the report’s parlance. They are, the report claims, “switchers.”

Additionally, the report suggests that many students were entering kindergarten for the first time, and they should be counted as switching from public to private schools, even though they never attended public schools. In other words, students not in public school just before taking a voucher are assumed to have been in public school at some point prior—suggesting that “ever public” should be weighed similarly to “public” *status at the time* of taking a voucher for the purposes of long-term budget projections.

When these students are accounted for as switchers, savings accrue to public schools and the taxpayer; voucher programs are, in other words, fiscally sound. At the same time, because it notes that the true number of “switchers” and “non-switchers” in voucher programs may change over time, the report also (confusingly) concludes that they may be not delivering on promised benefits to taxpayers.

IV. The Report’s Use of Research Literature

The report uses almost no credible research literature. Instead, it relies on social media posts, a handful of media reports, and previous reports by its own author.⁷ Drawing on those self-citations, the report implausibly claims that because randomized control trials of early, small-scale voucher programs may represent a “gold standard” for causal inference with respect to voucher effects on student outcomes, those same studies offer generalizable es-

timates for scaled up participation rates. In doing so, the report ignores a tradeoff between internal and external validity that is well-understood across social science literatures.

Significantly, the report omits established independent research conducted by experienced, neutral program evaluators. For example, in 2007, researchers noted about Ohio's emerging voucher system that

[A]cross time, individuals who receive and use a voucher tend to attend a private school prior to applying for a voucher, whereas individuals who apply and are not awarded or who choose not to use an awarded voucher tend to attend public schools prior to applying for a voucher.⁸

That same study also concluded that 69.5% of voucher applicants had already been in private school—a nearly exact estimate of more recent figures from modern voucher systems.⁹ Moreover, recent small studies explicitly designed to move students from public to private schools provide no evidence that the typical voucher user has been fleeing public schools per se.¹⁰

Additionally, recent investigative journalism has shown how private schools take advantage of voucher expansions by pushing their students to apply to the programs to offset family or school-based financial aid.¹¹ And both reporting and academic research shows that schools that accept vouchers often raise tuition once vouchers pass.¹² Studies from New Orleans—some even from voucher advocate-researchers—also suggest that parents seeking private school pursue a certain brand that leads them away from ever considering public options.¹³

V. Review of the Report's Methods

The report's methods deserve considerable scrutiny. To begin with, it is not clear that it employs any accepted methodology. Reputable studies typically provide a section, or some description of a method used. With that, other researchers understand and can replicate a study, checking its veracity. Without an explanation of methods (or, worse, absent a use of accepted methods altogether), a report's integrity is weakened.

To the extent a method can be discerned, it is worth noting that the report uses an overly simplistic cost analysis to reach its conclusion about cost-benefits to the taxpayer. It claims that because the maximum amount of a voucher is usually less than the per-pupil allowance most states spend on public school enrollment, these voucher systems represent a cost-saving to taxpayers in any instance of a true transfer from public to private school.

This amounts to a "back-of-the-envelope method" that has been repeatedly discounted by serious finance experts, while citing only the author's previous briefs to motivate the method.¹⁴ A simple comparison of the voucher amount and per-pupil public spending overstates the elasticity of public school costs with respect to student enrollment. The fact is that districts and state education agencies still have bills that must be paid regardless of enrollment level. These are fixed costs. The report here conflates the average cost of vouchers with the

larger, marginal cost borne by taxpayers.

Think of it this way: The report's method of cost-saving calculation is like saying that because a parent has a child who recently went to college, that parent no longer must pay the full mortgage on their home now that one of its bedrooms is empty. Banks do not work that way, and neither do state or district finances.

The report's data collection methods are of questionable value. It uses data from two relatively small voucher systems—Iowa and New Hampshire—which it received from seemingly proprietary relationships with local scholarship granting organizations. In other words, it is unclear whether other researchers could access those data to replicate the result. In New Hampshire's case this included data given to EdChoice directly by the voucher administrator, the Children's Scholarship Fund, a voucher advocacy group co-founded by John Walton decades ago.

VI. Review of the Validity and Findings and Conclusions

A central claim of the report—that the voucher programs in Iowa and New Hampshire likely result in fiscal benefits to those states' taxpayers—is invalid. The report does not employ any discernible or accepted scientific method to reach its conclusions, as discussed. This dispositionally discredits its findings and conclusions.

But there is more. The report avoids existing literature that directly contradicts its conclusions and, instead, relies on recycled reports, most of which come from the same author. Specifically, 30 years of research-based warnings now exist. It has been more than a decade since the last voucher study appeared in a credible publication to show vouchers help students who use them.¹⁵ Moreover, overwhelming amounts of research and reporting amassed since at least 2007 demonstrate that most sustained voucher users were in private school before vouchers passed.¹⁶

The *report itself* questions its own conclusions and concedes that universal voucher systems could be causing fiscal harm to taxpayers, although that highly likely scenario is couched as “too soon to tell” optimism. Finally, extrapolating any conclusions from Iowa and New Hampshire's programs to argue for voucher expansion in other states is quite problematic. They are hardly representative in cost or take-up rate for massive universal or near-universal voucher systems like those in Arizona, Florida, and Ohio—the true tests for voucher success moving forward.

VII. Usefulness of the Report for Guidance of Policy and Practice

The report does one thing that advocates and critics alike should applaud. It makes a case that even if all voucher users were already in private school before taking a voucher, this

would be a result that taxpayers should welcome. If vouchers amount to taxpayer funding of private, religious school tuition—especially for those who can already afford it—it would be an optimal policy result, in the report’s view.

Many disagree with this argument, but it—not some half-baked, back-of-the-envelope assertion that vouchers provide meaningful new choices to kids—is the honest version of the case for vouchers. Namely, that some parents will always choose private, religious schools. And that taxpayers should pick up the tab for those religious choices just as they do a common public school system. Policymakers should have *that debate*, make their decisions, and be held accountable by the voters.

The claim that taxpayers should fund religious choices will be vigorously challenged and—I believe—rejected by majorities of parents and other voters. But all of us should welcome it as a statement of the true intent behind voucher systems. In the meantime, we can move past hastily assembled talking points meant to discredit extant research, a dozen separate pieces of solid journalism, and many more state agency reports. The stakes are too high to waste time on spin and misdirection.

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