

NEPC REVIEW: THE OHIO EdCHOICE PROGRAM'S IMPACT ON SCHOOL DISTRICT ENROLLMENTS, FINANCES, AND ACADEMICS (THOMAS B. FORDHAM INSTITUTE, DECEMBER 2022)



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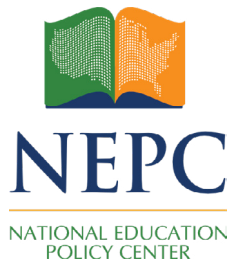
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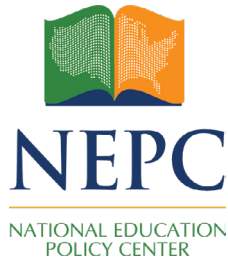
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Summary

A recent report from the Thomas Fordham Institute, *The Ohio EdChoice Program's Impact on School District Enrollments, Finances, and Academics*, considers three possible harms associated with Ohio's voucher program: to public school student outcomes through competition, to district financial resources, and increased racial segregation. Finding that Ohio vouchers have had few such harmful impacts, the report concludes that it has effectively dismissed the primary concerns of voucher critics. Yet, while the report is broadly methodologically sound for the narrow questions it poses, the questions it asks are out-of-date with respect to current concerns raised by voucher critics, which focus on substantially decreased student achievement among students using vouchers. The report also relies on more permissive standards for statistical inference than peer-reviewed articles would typically allow. Moreover, the report's Foreword, written by Fordham staff, frames it as an effort to provide new data for privatization advocates rather than respond to legitimate concerns raised by voucher critics. The Foreword dismisses criticisms as "Chicken Little" and "sky-is-falling" histrionics, and in doing so undermines the work of the authors it hired to write the study as careful independent researchers. Ultimately, those who are ideologically predisposed to embrace voucher policies will doubtless find much to appreciate in this report. It does nothing, however, to assuage the primary concerns of those dedicated to serving children through community-based public education.



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I. Introduction

How many second chances does a failed public policy deserve? When it comes to school vouchers, the answer appears to be infinite. Vouchers are programs that provide public funding for private school tuition and come in two broad forms: direct state tuition payments either to families or private schools, or tax expenditures which reduce state budgets by the same amount as those direct payments through the provision of tax credits to donors who pay tuition instead.

Researchers have studied vouchers for more than 25 years, beginning with studies of the nation's first voucher program in Milwaukee, Wisconsin.¹ Those early data on small, pilot-sized programs showed on balance some small voucher-induced gains to student achievement, as did a 2002 analysis of a privately funded set of programs in Dayton, OH, New York City and Washington, DC.²

Since then, no studies have consistently shown positive voucher impacts on the test scores of students who use them. Over the last decade in fact, researchers have documented devastating impacts on student achievement. Four independent analyses in states with at-scale voucher programs—Indiana, Louisiana, Ohio and Washington, DC—have shown some of the largest negative effects on record for education policy evaluation.³ The largest effects in Louisiana and Ohio are twice what some recent estimates of pandemic impacts on test scores have provided.⁴

A handful of studies have shown some evidence of voucher improvement on educational attainment⁵—notably high school graduation—or on so-called competitive effects (public

school improvement as a result of a voucher “threat” to their student enrollment).⁶ The attainment pattern has been substantially overstated by voucher advocates⁷ and as of this writing the two most recent peer-reviewed studies published in the last year have shown no attainment impact at all.⁸

Into that dubious record comes the latest report by the Thomas B. Fordham Institute on Ohio’s school voucher program, known as *EdChoice*.⁹ The report considers the impacts of voucher-induced competition on Ohio public schools, racial segregation, and local district finances. The report considerably overstates the extent to which these formulations are the chief concern of contemporary voucher critics. By doing so, it largely serves to provide new data for policymakers already predisposed to support vouchers, while adding little to assuage the fears of voucher opponents.

II. Findings and Conclusions of the Report

Ohio’s voucher program has two eligibility criteria: the first based on low relative academic performance of public school districts attended by potential voucher students, and the second based on students’ family incomes below 200% of the poverty line. For reasons related to data availability, the report focuses primarily on the performance criterion—students attending voucher schools because their home public districts fell at the bottom of Ohio’s distribution of academic outcomes. Correspondingly, this review focuses on the results of the performance eligibility component of the program.

The report presents four primary findings:

1. Public school district enrollment declined between 10-15 percent as a result of the voucher program;
2. Racial segregation likewise declined by a similar percentage, as students of color who left public school for the voucher program were more likely to encounter white students;
3. The per-pupil effect of the voucher program on district revenue was cost-neutral because although state aid to districts declined as students left for the voucher program, more local revenue was spent per student on those who remained.
4. Average district-level student achievement slightly improved as a result of the voucher program.

Importantly, all three of the latter findings rest entirely on details contained in the first finding—namely who and how many students left district schools for the voucher program.

The report concludes that its analysis “reveals no credible evidence that the income-based EdChoice expansion harmed districts in terms of segregation, revenues, or student achievement”—the concerns about vouchers that it criticizes.¹⁰

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

The report's findings narrowly provide the rationale for its conclusions. Two important caveats to that support are: first, that the initial finding—enrollment declines of approximately 10-15 percent per district—drives the other three findings, which are simply the result of which and how many students left public schools. And second, that the finding of neutral revenue impacts rests entirely—and the report acknowledges this¹¹—on the fact that the voucher program itself has no direct impact on the ability for local districts to raise revenue (say, through tax referenda or attraction of a wealthier tax base).

IV. The Report's Use of Research Literature

The report's review (and omission) of significant literature is problematic. While it provides some citations of earlier research on the questions raised, it is woefully incomplete, and downplays substantial negative evidence on voucher programs that would directly refute the report's essential conclusions that the fears of voucher critics are overstated.

First, the report devotes a mere two sentences to the massive drops in student achievement caused over the last decade by voucher programs for students who use them—i.e., the students leaving public schools for private options.¹² It mischaracterizes and overstates the evidence on student attainment (e.g., high school graduation), citing only favorable studies and none of the more recent evidence on null attainment effects.¹³ For example, a recent study notes that any modest benefits in attainment attributed to vouchers pales in comparison to the demonstrable negative impact vouchers have on student achievement.¹⁴

Second, while the report is more complete in its review of research on competitive test score impacts for students who remain in public schools, its cursory nod to the nearly unprecedented harm vouchers have done to children who use them is glaring.¹⁵

Third, the most important omission is any engagement with the now-vast literature on positive impacts for public school spending,¹⁶ on historical links between school choice policy and segregation,¹⁷ student attrition from choice programs,¹⁸ discriminatory intent stated explicitly by many voucher schools,¹⁹ or implications for democracy that are the current focus of voucher criticism.²⁰ All of which are highly relevant to the report's focus.

In sum, the omissions of literature – especially that which runs counter to the report's conclusions – is a significant, if not fatal, omission to the report. It overlooks the literature directly on point to the question raised by the report. Further, what supports exists for vouchers to improve achievement is overstated and the report omits prior studies that call into question their impact.

V. Review of the Report's Methods

For the narrow questions it poses, the report is broadly methodologically sound, but is limited by the questions it chooses to address. One important exception concerns statistical inference: The report presents findings that are somewhat more likely to be simply the result of chance than typical evaluation thresholds allow. It relies primarily on tests of significance at the 10% level—a weaker threshold for inference than typically found in program evaluation literature. This has the practical result of making more of the results presented in the main body of the report “statistically significant” than would be at the more common 5% level.

Relatedly, the thorough appendices with multiple models and robustness tests contain a mix of significance levels and dozens of implied hypotheses tests, suggesting that some of the results can be attributed to chance. Even at the more common levels of statistical significance levels, roughly 5 % of results presented can be expected to be the result of chance. What the report presents in its entirety—from the Foreword to the appendices—are very large numbers of statistical tests with a substantial amount of noise and insignificance. This is particularly the case around the tests involving academic achievement levels for public districts. This is to say that it is difficult to draw conclusions because the data sets are so large it creates a substantial amount of meaningless information.

All of this means that it is as reasonable to read the report's results a collection of largely null findings (i.e., no results at all) as to focus on the statistically significant differences that the report (especially its Foreword) highlights.

VI. Review of the Validity and Findings and Conclusions

The main problem with the report's findings and conclusions is that, to some extent, they are tautological results of students leaving public districts for the voucher program. Put another way, the findings and conclusions are really a function of mathematical calculations based on readily available information (summarized below). More specifically:

1. The integration results in the report are the result of students of color leaving public districts for private schools with white students in them;
2. The district revenue results are the result of a reduction in the denominator of public school children that the numerator of local revenue must serve.
3. Average district achievement improved *not because district performance grew but because lower scoring students left the districts*—a fact that the authors acknowledge on page 21.²¹

Importantly, the final two results above are actually damning indictments of vouchers in general and the Ohio program in particular. That is, they undercut the report's essential argument extolling the benefits of Ohio vouchers. For instance, the revenue results imply that the entire cost-neutrality of the program depends on a stable tax base for local revenue

because state aid has, as the report acknowledges, declined with public school enrollment. For districts able to maintain or even expand local revenue, this means more dollars per student, just as the report claims.

But there are therefore no safeguards for economic decline in the Ohio program. What happens when a school district's tax base is in decline? This is a plausible scenario for many Ohio towns with dwindling populations. This would have been an appropriate place for the report to engage with the importance of state rather than local resources. For example, a recent study has shown the importance of state-level financial equalization to intergenerational mobility for low-income students.²² Indeed, when it comes to school finance, not all dollars are created equal: Some students need more resources than others. Yet, the report does not account for this, thus further undermining its conclusions.

In addition, the report uncovers a problematic finding that district exits among economically disadvantaged students—especially those scoring lower on exams—are driving upticks in average district achievement. These are precisely the children who are served poorly by voucher programs, and they do not stay long when they enter a voucher school.²³ Rather, low-income, low-scoring voucher enrollment is a revolving door in and out of private schools. What the report implies is that public district achievement went up because particularly low-scoring students every year were cycling into the voucher program. That is not a good thing, given what we know about how well they do once they get to non-public schools.

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

The report wades into the larger debate of vouchers as a public policy tool, but its actual value to that debate is limited, if any. From the beginning, the report investigates questions that have grown stale in the research community relative to the negative relationship between vouchers and student achievement. It mischaracterizes the current concerns of voucher skeptics by creating a straw man of objections that it attributes to uncited “critics,”²⁴ and then frames its questions as responding to that straw man. These questions do not reflect the concerns of current scholarly literature around student achievement and vouchers. The result is a report that is of little value to policymakers engaged in the current questions concerning voucher merits.

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