

**ALASKA STATE LEGISLATURE
SENATE EDUCATION STANDING COMMITTEE**

March 1, 2013
8:02 a.m.

MEMBERS PRESENT

Senator Gary Stevens, Chair
Senator Mike Dunleavy, Vice Chair
Senator Charlie Huggins
Senator Berta Gardner

MEMBERS ABSENT

Senator Bert Stedman

COMMITTEE CALENDAR

DISCUSSION NO. 1 ON VOUCHER SYSTEMS - IDENTIFYING THE
STAKEHOLDERS AND KEY POLICY AREAS

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

ROBERT ENLOW, President & CEO
Freidman Foundation for Education Choice
Indianapolis, Indiana

POSITION STATEMENT: Participated in the discussion of school
voucher systems.

ALAN BORSUK, Senior Fellow
Law & Public Policy
Marquette University Law School
Milwaukee, Wisconsin

POSITION STATEMENT: Participated in the discussion of school
voucher systems.

DR. DIANE RAVITCH, Research Professor of Education
New York University
New York, New York

POSITION STATEMENT: Participated in the discussion of school
voucher systems.

ACTION NARRATIVE

[8:02:54 AM](#)

CHAIR GARY STEVENS called the Senate Education Standing Committee meeting to order at 7:52 a.m. Present at the call to order were Senators Gardner, Huggins, Vice-Chair Dunleavy, and Chair Stevens.

Discussion No. 1 on Voucher Systems - Identifying the Stakeholders and Key Policy Areas

[8:03:21 AM](#)

CHAIR STEVENS announced the business before the committee was a discussion on voucher systems. He introduced Mr. Robert Enlow.

ROBERT ENLOW, President and CEO, Freidman Foundation for Education Choice, a national organization promoting parental choice in education, stated that he would provide a broad overview of school choice. He said he hoped to address some of the fundamental questions about school choice, such as, "How has school choice grown in America over the last 15 years?"

He stated that the important questions are: "Are children learning more? Are children graduating at higher rates? Are parents satisfied? Are traditional schools responding to choices? Are there cost savings?"

He said he would conclude with a report on what is happening in Indiana's scholarship program, in terms of its impact on school districts in rural and urban areas.

[8:05:27 AM](#)

MR. ENLOW related that the growth in school choice has been quite dramatic since 1996. In 1996 there were five school choice programs in five states consisting of direct subsidy programs through school vouchers, or tax credit programs where an individual could claim a direct tax credit, or an individual or company could claim a tax credit for a gift they made to a third party that gives out scholarships. By comparison, today there are 39 voucher programs operating in 21 states and Washington, D.C.

MR. ENLOW explained that the movement towards greater parental choice is based on two issues: that it is unfair that only those who can afford it should have the freedom to choose good schools, and that when a child moves from one traditional school

to another, the money follows the child to the other school setting. The number of school voucher programs has grown dramatically in the last 16 years, especially since 2006, where the number of school choice programs has more than doubled. In the last two years, 42 states have introduced school choice and 112 school choice bills were introduced. Fifteen states enacted some form of school choice; 13 were brand new and two were expanded programs. He cited that there was a 614 percent growth in vouchers since 1996. He noted that yesterday, Alabama passed a tax credit program.

8:08:19 AM

MR. ENLOW questioned if children were learning more and if children and parents were more satisfied and more involved in their children's education. In answer, he quoted from the National Bureau of Economic Research: "Most studies have found that families who use vouchers to attend an area private school are much more satisfied with their schooling than are the families who remain in their traditional public schools." He concluded that parents who are choosing are much more satisfied and more involved in their children's schools.

MR. ENLOW addressed research on school choice. He said most of the programs are limited programs for families with low or middle incomes, or who are in failing schools. The data on school choice comes from three types of studies. The first type is the random assignment study, which he termed the gold standard study. Another is longitudinal study, where children are matched in order to determine results. The third type is the snapshot study.

He explained that in all of the random assignment studies it was found that the children who were in voucher programs experienced positive effects on test scores. Children were also graduating at higher rates and achieving in college.

8:11:11 AM

MR. ENLOW described two new studies in the area of school choice, one for Milwaukee's schools and one for Washington, D.C.'s schools. These two studies found positive results from school choice. In Washington, D.C.'s program, which was targeted for low income families, there was a 21 percent increase in graduation rate with children who received a school voucher. Random assignment studies are showing that children are being positively impacted by a school choice program.

MR. ENLOW discussed how states were reacting to school choice. He said there have been 19 studies from areas such as Milwaukee, Florida, Ohio, and Washington, D.C., all with positive results from the impact of the voucher program on public schools.

[8:13:05 AM](#)

MR. ENLOW said the issue of school choice has been demonized as "public versus private schools." He discounted that belief stating that what it really is about is making sure there is less focus on school type and more focus on school quality and children's needs.

He said the other misnomer is that school choice causes fiscal harm to public schools. He maintained that is not the case. He used Florida as an example of a state that has a tax credit program which saved \$38.9 million in 2010 for the state. Milwaukee's program has saved the state over \$46 million. In Indiana, the first year there were 3,900 children in the program and the state redistributed \$4.2 million back to public schools.

[8:15:10 AM](#)

MR. ENLOW noted an argument that not all costs in schools are fixed costs, in order to dispel the idea that "if you lose one child, you still have to turn the lights on." Also, school districts that are growing in enrollment don't need any additional funds. He emphasized that school funding must be distributed appropriately based on student needs. He concluded that school choice causes no harm.

MR. ENLOW shared statistics to dispel the idea that school choice will help the rich. In Indiana and elsewhere the programs are designed not to do that. He said that 81 percent of the students in the voucher program in Indiana qualify for free or reduced-price lunches. The public schools in Indiana are 79 percent white, 11 percent African-American, and 7 percent Hispanic. The children in private schools receiving vouchers are 51 percent white, 20 percent African-American, and 19 percent Hispanic.

[8:17:20 AM](#)

MR. ENLOW addressed the criticism that there are not enough private schools in rural areas. He reported that Indiana has a statewide choice program that provides direct subsidies. He said that 66 percent of the participants are from urban areas, 18 percent are from suburban areas, and 16 percent are from rural areas.

MR. ENLOW summarized that school choice has not had a negative impact on public schools or families, is saving money, and is making sure that children are matched to the best school settings.

[8:18:17 AM](#)

CHAIR STEVENS requested information about Mr. Friedman and the foundation he set up.

MR. ENLOW replied that Mr. Friedman was the 1976 Nobel Prize winner in economics. He argued that the Great Depression was caused by a problem in the money supply created by government intrusion into banking and interest rates. During the last ten years of his life, he and his wife dedicated their time to the idea that families needed more options in school choice. He believed that the only way to improve education was to give parents more choices to the schools they send their children to. He believed the only way to ensure a democracy is to have an educated citizenry through allowing school choice.

MR. ENLOW shared that he did his post-graduate work in theology at Oxford. He said for him it is an issue of unfairness that people with economic means should have educational advantages. The way to equalize that playing field is to give everyone the option to choose the right school for their children.

He added that the foundation operates in all 50 states.

[8:20:55 AM](#)

CHAIR STEVENS said he appreciated Mr. Enlow's comments.

SENATOR HUGGINS inquired why Milwaukee and Washington, D.C. adopted school choice options.

MR. ENLOW replied that there was great dissatisfaction with traditional school systems, particularly for those who were poor and racially diverse.

[8:22:32 AM](#)

SENATOR GARDNER requested that all presenters address the issues of accountability and oversight. She asked if private schools that accept vouchers get to choose which applicants to accept, or if they can decline to accept special needs students if they feel they are not qualified to address their needs. She inquired who is responsible for making sure that new or existing schools are prepared for new students in terms of curriculum, staffing, space, and safety. She wondered if voucher students are tested

against national norms. She asked if transportation is provided to private schools. She wanted to know about problems that cause private schools to close, such as financial mismanagement.

8:24:11 AM

MR. ENLOW replied to Senator Gardner's questions. He noted the reality that every program is created differently. The Freedom Foundation and others believe in a variety of oversight mechanisms, one of which is good financial reporting. He said that most private schools take a nationally-normed reference test. Schools in Indiana have taken the state test for years in order to play football and basketball. He pointed out that testing is only one element of a quality school. He stressed that the accountability of traditional schools has not worked. He opined that private schools that receive school choice money are more accountable than traditional schools because if they are in the D/F category for two years they cannot take new voucher students.

8:27:12 AM

MR. ENLOW addressed admission criteria, saying every school is different. Milwaukee has a lottery process and some schools use private school criteria but have to treat every student equally. In terms of transportation, Florida offers a tax credit program. One school in Indiana has its own bus system.

MR. ENLOW spoke of special needs students. He shared a story about his own special needs child. The data in Indiana shows that a lot of the voucher schools are taking special needs students. A problem has been that the dollars that are attached to special needs students are not going with them to private schools. He noted that special needs voucher programs are the fastest growing voucher programs in America; Florida, Ohio, and Utah all have these programs and Indiana is proposing one this year.

8:30:05 AM

CHAIR STEVENS suggested Mr. Enlow contact Senator Gardner to discuss her questions further.

SENATOR DUNLEAVY asked why not give traditional schools more money.

MR. ENLOW explained that spending on education has been dramatically increased since 1970; however, there has not been a corresponding increase in test scores. He said when there is a monopoly provider "you don't have to worry about certain costs."

He posed the question, "How much money is enough?" He suggested the voucher system spends money more effectively with better results.

[8:32:36 AM](#)

CHAIR STEVENS introduced Mr. Borsuk and Dr. Ravitch.

[8:33:06 AM](#)

ALAN BORSUK, Senior Fellow, Law & Public Policy, Marquette University Law School, described himself as the neutral party of the three presenters with a journalistic perspective of school choice. He said he has been following the Milwaukee program since its inception, but especially since 1998 when the Wisconsin Supreme Court ruled that it was constitutional to expand the program to include religious schools. Milwaukee's program is the oldest urban voucher program in the country, and the largest and most comprehensive in the sense that it reshaped the education landscape in Milwaukee.

MR. BORSUK suggested that the discussion of voucher programs focus on quality. He reported that in Milwaukee the program was begun by the legislature with strong support by the business, philanthropic, and African-American communities. He said the performance by minority students in the Milwaukee school system was not good and the need for change led to the start of the voucher program in 1990. The program has grown to 25,000 students, which is about 20 percent of the student population.

He related that up until 2005 the voucher program was a highly unregulated program that believed parental choice would increase quality. He concluded that it was not that simple. He said there are some high quality voucher schools in Milwaukee and a highly competitive market. There are about 100 voucher schools, 90 percent of which are religious schools, and 8,000 students that leave the city and attend suburban schools.

[8:37:27 AM](#)

MR. BORSUK stated that out of the unregulated voucher program came a variety of schools; some excellent, many middle-of-the-pack schools, and some terrible schools. He said he recently systematically visited almost all of the voucher schools. It was one of the first times anyone went to almost all of the schools due to the fact that they were not regulated, inspected, or required to report publically. He concluded that there were seven vastly different types of voucher programs, ranging from excellent to extremely poor.

[8:40:09 AM](#)

MR. BORSUK related that since 2005, steps were taken to increase regulatory components leading to better financial control and somewhat more academic requirements, such as accreditation. Starting in 2009, students were required to take Wisconsin's standardized test, with results reported publically. A board was established to vet proposed schools to ensure that they met the description of a school, and many were rejected. In 2011 Scott Walker became governor and he changed voucher student admission standards from 175 percent of the federal poverty table for a household to include students 300 percent over the federal poverty standard. More than 90 percent of families in Milwaukee now qualify to receive school vouchers.

[8:42:04 AM](#)

MR. BORSUK commented that most of the bad schools in Milwaukee are gone; however, a few remain, and the regulatory climate does not have the power to deal with the poor performance of a school.

MR. BORSUK provided three suggestions when starting a voucher program. One is to have a strong gatekeeping function at the start. A second is to have a mechanism for continuing evaluation. The third is to have a broad range of public disclosure. Currently, the voucher schools are exempt from taking part in the state's school report card system.

MR. BORSUK addressed the successes of the voucher programs. He said that for many years there was no research. From 2006 to 2011, research through the School Choice Demonstration Project at the University of Arkansas, using several ways of measuring, found no difference in the outcomes for voucher students versus public school students. He concurred from personal observations with that finding. He concluded that student performance is not very good in Milwaukee and the voucher program has not been a panacea.

MR. BORSUK added that school choice is very popular.

[8:46:35 AM](#)

CHAIR STEVENS asked if the of separation of church and state has been an issue in Milwaukee.

MR. BORSUK related Supreme Court decisions that ruled school voucher programs constitutional. The legal construct stated that "these are parents choosing and the state is delegating the choice to the parents." There was fear in 1998 that extremist

schools would open, but those fears were unfounded. Today, there is a wide array of religious schools. There are political issues surrounding the voucher issue, but not much of a "religious" issue.

[8:48:46 AM](#)

SENATOR DUNLEAVY asked if there was evidence of a Madrassa school springing up in Milwaukee.

MR. BORSUK said no.

SENATOR DUNLEAVY asked again if there were Madrassa, crusader, or militant Methodist schools.

MR. BORSUK said no, but there were fundamentalist schools.

[8:50:09 AM](#)

SENATOR GARDNER asked for information about the general condition of Milwaukee Public Schools before the onset of private school vouchers. She also wondered what happened to the students who attended the terrible schools that were eventually closed.

MR. BORSUK replied that overall student achievement was not good in Milwaukee schools prior to the voucher system, and currently. The academic achievement gap between white and black students is one of the largest in the country. Milwaukee has a very high child poverty rate, which is an underlying factor. He reiterated that the voucher system was not the panacea.

MR. BORSUK said there was no study regarding the children in the failing schools. He noted that there is no study about low-performing children in all categories of schools. He shared a story about his visit to a voucher school that was an outgrowth of a day care center where he found teachers upset about the state of the school.

[8:54:01 AM](#)

SENATOR GARDNER asked about accountability in voucher schools. She shared two examples of private schools that do not do any nationally-normed testing.

MR. BORSUK replied, in general, most schools do participate in testing. In a private school that does not receive any public money, there is no requirement to test. He said the voucher program in Wisconsin requires students to take a standardized test. Many of the schools are made up of 100 percent voucher

students, which makes the state the key investor. He opined that the state has the right to make sure its investment - public tax dollars - is being used well. Test scores, attendance, and graduation rates can all be used to evaluate schools.

[8:57:44 AM](#)

SENATOR GARDNER referred to Mr. Enlow's ten gold standard studies that show that vouchers have better outcomes for some or all children, but especially for lower income children. She asked if Mr. Borsuk agreed with the statement, as it applies to Milwaukee.

MR. BORSUK stated that there was little evidence that voucher students were performing better than public school students.

CHAIR STEVENS voiced appreciation for the presentation.

[9:00:21 AM](#)

DR. DIANE RAVITCH, Research Professor of Education, New York University, provided her background in educational history and bi-partisan work. She reported that she has worked with a very conservative think tank and with very strong supporters of vouchers. She termed the voucher movement as "anti-government, anti-public education, and pro-privatization sentiment." She opined that vouchers will eventually undermine public education by drawing away tax dollars from public schools. She continued that she believes public education is one of the most essential institutions of a democratic society. Having public schools is recognition that we are a very diverse nation. Public schools teach us to live and work together.

[9:03:17 AM](#)

DR. RAVITCH provided three basic facts about American education. Based on National Assessment of Educational Progress (NAEP) scores, test scores today are the highest that they have ever been for all students. The graduation rates are the highest they've ever been for all students. The dropout rate is the lowest it has ever been for all students. She strongly disagreed with the voucher narrative that says the American education system is in a terrible tailspin. She pointed out that her information is based on U.S. Department of Education data.

SENATOR GARDNER requested that Dr. Ravitch repeat the three statements.

[9:05:25 AM](#)

DR. RAVITCH stated that people who advocate for vouchers, call them "opportunity scholarships." She maintained that they are not scholarships because they take public money out of the public system and use it to pay for kids to go to religious and private schools. She said that in Louisiana, after voucher legislation passed a year ago, public money is now being used to send kids to religious schools that teach creationism, that people and dinosaurs existed together, and that the Loch Ness Monster is real. Many of the voucher schools are run by people who have no qualifications to run a school and the students are not getting a better education.

9:06:41 AM

DR. RAVITCH addressed urban voucher programs in Milwaukee, Cleveland, and Washington, D.C. She said Milwaukee has had 22 years of vouchers, Cleveland has had vouchers since 1995, and Washington, D.C. has had them since 2004. There have been many studies of these districts, most of them by voucher supporters. She referred to studies which showed that the voucher students in Milwaukee and Washington, D.C. did no better academically than public school students. She pointed out that there are good and bad voucher schools and good and bad public schools. Instead of trying to make the public schools better, the money is now divided up between three competing sectors.

9:08:11 AM

DR. RAVITCH related that Milwaukee is now dividing school funding into to three competing sectors, vouchers, charters, and public schools, all three of which are doing equally poorly. The NAEP's scores show that Milwaukee is one of the lowest performing districts in the nation. Milwaukee has disproved the theory that competition and choice will cause all three sectors to improve. The lowest performing cities in the country are Detroit, Milwaukee, Fresno, and the District of Columbia.

DR. RAVITCH reported that black students in Milwaukee were supposed to be the beneficiaries of vouchers; they are among the lowest performing of all black students in the nation. After 22 years of vouchers and charters, black kids in Milwaukee are performing on the same level as black kids in Mississippi.

She said the attrition from voucher schools in Milwaukee is so enormous that the graduation rates are meaningless. There was a follow up study of Milwaukee voucher schools done by the National Education Policy Center at the University of Colorado which found that 75 percent of the kids that started voucher schools in the 9th grade had left school by the end of the 12th

grade. Of the 25 percent who were left, they had a higher graduation rate.

[9:10:58 AM](#)

DR. RAVITCH addressed Mr. Enlow's reference to a special needs program in Florida. She explained that the program was written up in 2011 in the Miami New Times. It said that more than a billion dollars had been spent by the state on the Florida McKay Scholarship program. It has sparked a cottage industry of fraud and chaos. Schools had no curriculum, were run by people lacking any credentials, had teachers with no certification, put special needs kids into malls, and church basements, and had no educational quality or accountability. She said she doubted that anything was being done, given the politics in Florida. She stressed that at least in the public schools the students would have constitutional rights, which is questionable in voucher schools.

She said the article in the Miami New Times received the highest award in journalism because of the quality of reporting that exposed this massive fraud.

[9:12:41 AM](#)

CHAIR STEVENS asked for a copy of the article.

DR. RAVITCH noted she would also send a copy of the review of the independent Milwaukee Voucher School Study, which was done by the National Education Policy Center.

[9:13:02 AM](#)

DR. RAVITCH concluded that students were not learning more under voucher systems. She questioned their impact on public schools and the public school's role in a democracy. She said it was clear that voucher systems would divide children along lines of race, religion, and class. She related that public schools became a way of creating American citizens. She opined that putting public schools at risk threatens an institution that has helped to make this country great.

She reported that a proposed school voucher in Texas is predicted to fail because Republicans from rural districts will block it because they do not want to see their local community public schools destroyed. In Wisconsin, the expansion of the voucher program is currently being blocked by Republicans in rural districts for the same reason. She emphasized that not one voucher program has been passed by referendum. The American people do not want their public dollars going to religious

schools and they want to support their public schools. She urged the committee to find out what voters want.

[9:15:33 AM](#)

CHAIR STEVENS voiced appreciation for Dr. Ravitch's comments.

SENATOR GARDNER thanked Dr. Ravitch. She informed Dr. Ravitch that in Alaska a constitutional amendment would be required to allow state money to go toward vouchers for private, religious, or secular schools. It would include a vote of a two-thirds majority in the House and the Senate and approval by the majority of the voters.

DR. RAVITCH reported that the most recent vote on vouchers was just recently held in Florida in November and was turned down by voters in a very conservative state, 55 percent against to 45 percent in favor. She reiterated that voters have never been willing to fund religious schools with public dollars.

[9:16:41 AM](#)

CHAIR STEVENS addressed the issue of dropouts. He said the Governor has indicated that he wants Alaska to go from a 70 percent graduation rate to a 90 percent graduation rate. He noted his concerns with lowering standards in order to do so. He pointed out that Milwaukee did not count students who dropped out as part of the graduation rate. They only counted the 25 percent of students that remained in school. He suggested there should be standards when considering dropout rates.

DR. RAVITCH replied that the U.S. Department of Education recently reported in January on graduation rates. They use a very narrow definition of who a high school graduate is. "If you start in 9th grade and if you finish in exactly four years," is how high school graduates are counted. The number of graduates is up to 78 percent. Census figures for 18-to-24-year-olds show that 90 percent of students in America have completed high school. The difference is because the U.S. Department of Education and the states no longer count those who graduate early, or take five years to graduate, or get a GED as a graduate. She opined that all schools should maintain graduation standards.

She pointed out that one of the things about No Child Left Behind is that children are not getting art, history, geography, civics, physical education, and foreign language classes due to the emphasis on testing. She stated that she has changed her

mind from when she worked with right-wing think tanks which are attempting to privatize education.

She suggested that legislators focus on insisting that public schools serve the needs of children and not divert money to religious schools of questionable quality.

[9:19:33 AM](#)

CHAIR STEVENS said he appreciated Dr. Ravitch's foundational comments on the value of a free public education. He recalled that James Michener said the only reason he was a success in life was because he had a free public education. He requested more information in writing along that line.

DR. RAVITCH noted that there is only one country that has committed fully to vouchers - Chile - under the dictatorship of Pinochet. Chile adopted Milton Friedman's ideas and is now having student demonstrations because of widening inequalities in society. She opined it is not an example the United States should be following.

SENATOR GARDNER returned to the three conditions Dr. Ravitch mentioned, test scores, graduation rates, and dropout rates being the best ever in U.S. history. She noted that the U.S. is sliding behind other countries, particularly in the areas of science, technology, engineering, and math. She inquired if other countries are catching up and surpassing the U.S.

DR. RAVITCH answered that it is a complicated issue. She reported that the U.S. has always tested lower in international tests. The first international test was given in 1964 and 12 nations competed. The U.S. came in dead last. She maintained that test scores are culturally related and American schools put a huge premium on creativity, which has made this country what it is today. She opined that there is a certain point, as a developed nation, where the test scores don't matter. She concluded that it would be a mistake to change America's culture of thinking "outside the box."

She said America is number 24 in the world in providing early childhood education and number 1 in the world amongst advanced nations for childhood poverty. She stressed that the single most reliable predictor of test scores is poverty. The most important thing America can do to improve education is to reduce childhood poverty.

[9:23:42 AM](#)

SENATOR GARDNER asked if the U.S. is number 1 in the world for childhood poverty.

DR. RAVITCH said yes, of advanced nations. She related that in Finland childhood poverty is less than 5 percent and in the U.S. it is close to 25 percent.

[9:24:45 AM](#)

SENATOR GARDNER thanked Dr. Ravitch for her testimony and said she would buy her book.

DR. RAVITCH said her latest book is called The Death and Life of the Great American School System. She opined that the great American school system "is fundamental to our success as a nation." She said she would not be where she is today without her free, public education, nor would her seven brothers and sisters or parents.

[9:25:51 AM](#)

There being no further business to come before the Senate Education Committee, Chair Stevens adjourned the meeting at 9:25 a.m.