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Public Funding for Private Schools: The Current Landscape
*A Reflection on the 2013 Catholic Higher Education Collaborative
Conference on Catholic School Financing*

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On September 22-24, 2013 the University of Notre Dame's Institute for Catholic Education hosted a conference on Catholic school financing on the Notre Dame campus, which drew experts on the subject from across the United States. I attended the conference because of my role as a Board Member of the Board of Catholic Schools of the Archdiocese of Chicago. As chair of the Legal Affairs Committee of the Board and a member of the Executive Committee, I was most interested in learning about public funding options that might be pursued for Chicago's Catholic schools. In September 2013, our Board had just finished a three-year study of the schools in our system and was about to publish a detailed strategic plan to ensure their continued viability. In a nutshell, our study showed that, like Catholic schools throughout the country, Archdiocese of Chicago schools perform very well in providing a safe environment where students can excel at academics, while at the same time fostering Catholic identity and civic responsibility. In urban areas like Chicago, high school graduation rates are dramatically higher for Catholic school students than public school students. Many public schools in poor neighborhoods throughout the Archdiocese are underperforming, and often Catholic schools are the only alternative available for parents who are dissatisfied with their public school.

Our study also showed, not surprisingly, that the financial picture is worrisome for some of our schools. School operating expenses are much higher than in the era when schools were staffed primarily by members of religious orders. Some parishes are unable to provide the levels of financial support that they historically allocated to the parish school. Parents are sometimes unable to afford a tuition rate that would realistically cover school costs. In the Archdiocese of Chicago, the gap between school expenses and income in many schools has been growing and has been covered for the last several years by increasing subsidies from the Archdiocese itself. This trend is unsustainable. Although the Archdiocese can commit to funding some school

subsidies going forward, especially to help thriving schools in poor neighborhoods where the parents and parish are unlikely to ever cover operational costs, the current overall level of subsidy must be cut substantially. Otherwise the Archdiocese will be unable to afford to continue its essential ministries.

The Board's strategic plan contemplates solving these financial challenges through a multi-pronged effort. First, we identified several areas where school operations can be made more efficient, such as right-staffing, variable tuition rates and better tuition collection, and marketing efforts to increase enrollment. The Office of Catholic Schools is being reorganized to make sure that individual schools have the support and help they need from the central office to implement these best practices. The Board is committed to minimizing the number of schools that are closed, but in cases where enrollment, costs, and demographics make a school's future viability improbable, a limited number of closures may and have occurred. Second, the Board recommended, and the Archdiocese has begun, a major capital campaign for education. A substantial portion of the money raised in this campaign will be used to create a scholarship fund for Catholic School students. Rather than subsidizing schools directly, these funds will be awarded to the students whose families qualify, and the scholarships will follow the students if they move from one Catholic school to another. Third, our Board wants to be actively involved in persuading Chicago and Illinois elected officials to enact legislation to allow families to choose Catholic schools through voucher or tax-credit programs. In 2011 the Legal Affairs committee was a part of a coalition working to promote a bill proposed by State Senator (and also Reverend) James Meeks to create a pilot voucher program for 30,000 students in Chicago's poorest neighborhoods with the most underperforming and overcrowded schools. Senator Meeks, a Democrat, was able to muster significant bipartisan support for his bill which came very close to passing but ultimately failed. The Meeks effort nevertheless has mobilized school choice advocates in Illinois to continue to strategize for the future. I was excited to see that a significant portion of the program at the Notre Dame Conference would focus on the progress made in other states to enact and implement school choice programs. National experts on school choice were scheduled to participate to share their wisdom and experience. I decided to attend to learn as much as possible that might help our efforts in Illinois.

Two panels in particular presented very useful information about the progress of school choice initiatives. The first, Public Funding Part I, the State of Play for Parental Choice, gave an overview of legislative and

community efforts throughout the United States and the research that has been done on resulting student performance and parental satisfaction. The participants were (1) Scott Jensen, Senior Strategist for the Advancement of School Choice, for the nation's largest school choice organization, the American Federation for Children, (2) Doug Tuthill, President of Step Up for Students, a nonprofit Florida organization that provides scholarships to over 60,000 low income students to attend private schools, and (3) Dr. Patrick J. Wolf, Professor and 21st Century Endowed Chair in School Choice, Department of Education Reform, University of Arkansas.

The second panel, Public Funding Part II, Understanding Parental Choice Programs in Action, was moderated by John Schoenig, Director of the Program for K-12 Educational Access, part of Notre Dame's Alliance for Catholic Education (ACE) initiative. This panel, consisting of educators who have had hands-on experience implementing school choice programs, included (1) Christian Dallavis, Senior Director of Leadership Programs for ACE, (2) Dr. Kathleen Cepelka, Superintendent of Catholic Schools for the Archdiocese of Milwaukee, and (3) Yvonne Schwab, Principal of St. James the Less Catholic School in Columbus, Ohio.

Good News in Several States

Scott Jensen reported that school choice programs have been implemented in an increasing number of states. I was happy to learn that the national trend is in the right direction! Choice programs exist in 18 states, the District of Columbia, and one Colorado county. These programs include 21 voucher programs and 16 tax credit programs, and provide a quarter of a million children with almost a billion dollars in choice funding. Increasingly these programs are bigger and broader in scope. Five state programs are statewide. Most encouragingly, there is more bipartisan support for choice in some state legislatures such as Florida, North Carolina and Iowa. Mr. Jensen also reported on a great new idea from Arizona: education savings accounts where state money is placed in a bank account for the child. The parents can spend the account on a wide variety of educational programs in addition to tuition (e.g. tutoring and after-school help) OR they can roll over the funds to use for the child's higher education. This idea seems transformative to me. Giving parents such wonderful flexibility belies any arguments that private schools are merely lining their own pockets by supporting choice programs.

Doug Tuthill described the on-the-ground organizing that has propelled

school choice expansion in Florida. At the time of the conference in September 2013, 60,000 Florida children were receiving scholarships. Almost 9,000 of these children were in Catholic schools. Mr. Tuthill predicted that the total number of scholarship recipients would double in the next three years. Although we in Illinois have been aware of the need for coalition building across diverse groups to advocate for school choice, the Florida experience provides a particularly compelling lesson. The Florida Alliance for Choices in Education (FACE) is a coalition of more than 50 member organizations including organizations promoting public school options. For example, the National Coalition of Public School Options and the Florida Charter School Alliance are members of FACE, along with more traditional pro-school choice groups. Mr. Tuthill's organization, Step Up for Students, spearheaded the initial effort to bring these groups together through a year of outreach and diplomacy. FACE coalesced around the idea that all parents should be fully engaged in their child's education and should be given information about and access to all the learning options available, including public ones. Florida is the first state to achieve such a comprehensive coalition. Although the organization has to tread carefully getting input from member organizations across the political spectrum, its members are united in a goal of providing options to parents that transcend the public v. private debate. Opening up the horizons of choice has produced a new landscape in Florida where more than 40% of students now attend something other than their zoned neighborhood school.

The Role of Research

Mr. Tuthill also emphasized that the research community has had a significant impact on the success story in Florida. Researchers have found increases in parental satisfaction and better test scores for high poverty children. Moreover, research also shows improvements in district public schools since the neediest have moved into scholarships. The final panelist, Dr. Patrick Wolf, provided a very enlightening overview of the true state of research results on school choice.

Prior to the conference I was not well-informed about the results of research studies measuring the success of school choice programs. I had read and heard scattershot news stories about how the results were "mixed" enough that no conclusions could be drawn about any clear benefits to children. However, Dr. Wolf's presentation made a compelling case that school

choice programs have been proved to be beneficial. Well-conducted studies show that participants, non-participants, parents and the community all experience these programs as positive or, in a few cases, no worse than neutral. Dr. Wolf noted that in the D.C. program, participants substantially increased their likelihood of high school graduation. And in Milwaukee, the longest existing program and thus the best source of data over time, there were advantages to vouchers in every category of participants' educational attainment (e.g. on-time graduation from high school, graduating at all from high school, and enrollment and persistence in college).

Test scores are considered by many to be the best measure of school quality. Dr. Wolf described 10 experimental studies that focused on test scores. Five studies showed overall gain, four showed gains with at least one subgroup of students, and one showed no statistically significant difference. **None of the studies demonstrated negative effects.** Critics of school choice sometimes assert that these programs engage in "cream-skimming" by drawing the more talented or less disadvantaged students away from the public schools. These same research studies measured the effects on test scores of children who remained in public schools, however. All but two studies showed that the performance of these children also improved; and those two studies showed neutral effects. Parental satisfaction also consistently improved across these studies. Some officials have argued that school choice will diminish civic responsibility among students who attend private schools and that intolerance and sectarian strife will result from more children attending religious and other private institutions. A related claim is that school choice will cause resegregation of schools (see the recent controversy in Louisiana). On the contrary, as Dr. Wolf explained, studies of students' civic values demonstrate that private schools have a definite advantage in inculcating civic responsibility. Those of us involved with Catholic schools know this well. We should emphasize that the ability of our schools to infuse the curriculum with moral perspective leads to the development of responsible future citizens.

Practical Realities

The second panel on public funding, and the audience questions and comments that followed, focused on the practical aspects of implementing school choice programs. The Milwaukee voucher program has a long track record and offers many lessons for successfully rolling out and operating voucher, scholarship or tax credit choice programs in the halls of real schools. The

panelists emphasized that the best way to build support for choice schools within any community is to make sure the quality of the participating school remains high, and that both incoming and non-scholarship students achieve good academic and social preparation. Because of the political debate that usually surrounds new choice programs, it is especially important to both achieve good results and communicate them effectively to the whole civic community. Christian Dallavis explained that the two goals of Catholic education are college and heaven, and that this is a compelling message that should be broadcast as loudly and widely as possible.

The panel noted that when a choice program is introduced into a school, it is especially important to nurture the current school parents and to be sensitive to their fears about potential changes in the culture of the school. Blending in of new families and students happens most smoothly when the school culture itself is not lost in the process. Rather, the new families have freely chosen the school and should adapt to its character. That is, the same expectations for parental involvement and participation should be placed on incoming families and every effort should be made to keep the community spirit of the school intact. New parents, whether Catholic or not, frequently choose Catholic schools because of their Catholic identity, not in spite of it. Indeed, in Milwaukee where voucher parents have an opt-out of religion class option, only a half dozen families have exercised it.

Dr. Cepelka described the bright spots of the Milwaukee program as including (1) the clear benefit of quality Catholic education for students of diverse backgrounds and the accompanying potential for positive societal transformation, (2) the increased likelihood that these schools will be financially sustainable over the long term, and (3) new opportunities for evangelization of students and families. Challenges of the program include (1) developing the competencies to address cultural and learning needs of incoming students and (2) effectively accommodating special needs students. She noted that Catholic universities can help significantly with these challenges by helping principals and teachers build these cultural competencies and by developing a set of “best practices” for choice schools.

Yvonne Schwab’s experiences as an elementary school principal reinforce these themes. She emphasized the importance of initial meetings and conferences with potential new parents to make sure their understanding of the school’s expectations are clear and that their choice is fully informed. She advised erring on the side of “over-explaining” the school culture to parents. Adjusting to the student’s varying academic and behavioral needs has been

challenging but discipline problems are steadily declining at her school. She builds school spirit by having frequent family events such as “Super School Sundays” and enforces families’ financial obligations uniformly and fairly. Her experience is that the younger the choice students are the better. Blending in older students is difficult no matter what their reason may be for transferring in. Finally, providing social times and the overlay of love that Catholic identity provides make a real community spirit achievable.

Touchstones for Future Planning

The public funding sessions of the conference also surfaced some strategies for building support for school choice that I carried back with me to Chicago and Illinois. Coalition-building is critically important in states that have been convinced to adopt school choice legislation. Although Catholic schools can certainly benefit financially from such programs, many other worthy private schools can too. Moreover, school choice is not a Catholic school rescue plan. It is, rather, a civil rights issue, perhaps the central civil rights issue of our era. Poor children should not be trapped in failing public schools. Social justice demands that these children be allowed the opportunity to succeed in life. This effort is not built on abstract libertarian principles, as its detractors sometimes assert in order to paint the issue as a “conservative” cause. We should appeal to citizens across the political spectrum to support these children being given a pathway to success.

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