This paper examines how the introduction of the Cleveland, Ohio, voucher experiment in 1995 affected the administration and leadership of the city's public schools. The paper focuses on the nature of political and bureaucratic responses to competition and describes the short-term consequences of competition and how such consequences might influence the long term. Data were gathered through interviews with educational participants and observers, visits to public and private schools, archival searches of newspaper coverage, and an extensive review of school-system documents, board minutes, private papers, statistical data, and secondary documents. The paper offers a history of the troubles that the Cleveland Public School (CPS) system has endured and describes both the beginnings of the voucher program and the turmoil that has rocked this program. Findings suggest that teachers and administrators in the CPS did not view the voucher program as a serious threat. As a result, public schools were not motivated to alter their practices. The limited size, early difficulties, and bleak political and legal prospects of the voucher program all undermined any competition the voucher system could have offered. It is claimed that competition is crucial to promoting school improvement. (Contains 68 references.) (RJM)
Much Ado About Nothing: The Minimal Competitive Effects of the Cleveland Voucher Program

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Abstract

It is hypothesized that market-based education reform will compel traditional public schools to become more effective. How school systems respond to such competition, however, has received little empirical attention. We explore how the introduction of the Cleveland voucher experiment in 1995 affected the administration and leadership of the public schools. As of 1999, the program had produced virtually no visible effects. Changes implemented since 1995 were caused by a variety of forces largely unrelated to competition. The voucher program has been relatively unthreatening due to its small size, its uncertain legal prospects, and certain institutional features—some of which are unique to Cleveland and others which characterize most urban school systems. We conclude that choice-based reform may not spur improvement in urban school systems, at least in the short term or when the programs are heavily restricted.
Introduction

Market-based education reform has gained increasing scholarly attention among political scientists in recent years. These scholars have sought to understand how market principles would apply to education organizations and how they might alter the larger environment of schooling. In particular, the debate extends a more fundamental discussion in political science about how effectively spatial mobility can serve as an allocational mechanism (Lowery et al. 1995; Teske et al. 1993). However, what has received less attention in this discussion is how school systems respond to market discipline once it is introduced. Previous research on bureaucracy (Allison 1971, Chubb & Moe 1990, Wilson 1988), organizations (March & Olsen 1987), and schooling (Peterson 1976, Meyer & Rowan 1983) makes clear that systems are constrained by organizational resources and patterned behaviors. Nonetheless, relatively little scholarly attention has sought to understand the nature or degree of these constraints or the implications for how choice-based reforms may affect schooling.

For instance, some research (Smith & Meier 1995, Wrinkle et al. 1999) has suggested that families do not respond to fluctuations in school quality, suggesting that competition will not compel public schools to improve. Other work (Schneider et al. 1997, 1998) has suggested that only a small number of families are active educational consumers, though this number may be enough to drive systemic improvement.

The existing work is instructive, but has been hampered by the inability to examine the actual impact of choice arrangements on public school systems. In this article, we concentrate specifically on one case of competitive threat. We examine the impact of the Cleveland voucher program on the Cleveland Public Schools from 1995 to
1999. While this single case study does not permit us to test the validity of hypotheses, it offers a fruitful way to explore more deeply the ways in which competition may affect urban school systems. While the Cleveland program was designed as small-scale and experimental, these dimensions are themselves useful variables that can help us understand how and when markets will influence public school systems. Significantly, the small scale of the Cleveland choice program may make a public system response unlikely, but that is hardly a settled issue. Choice advocates have often ignored questions of program size or scope when discussing how competition will affect public schools (Osborne 1999), have suggested that even a limited number of “choice” or charter schools may spur change by modeling innovative approaches or scaring public school employees (Hartwick 1999; Kolderie 1990), and have pointed to cases where the opening of even one charter school produced “ripple effects” (CER 2000: 7-26).

How competition affects the larger urban school system is a crucial question because most of the policy debate surrounding school choice suggests that choice-based plans may be effective tools for driving systemic improvement in troubled urban school systems. It the failure of more traditional reform strategies in the nation’s severely troubled urban districts (Hill & Celio 1998; Hess 1999) that has played a pivotal role in fueling interest in school choice, most noticeably in urban areas (Gallup 1998). For instance, the few existing public voucher programs are found in urban areas, the vast majority of privately funded voucher programs target urban districts, and urban districts boast disproportionate concentrations of charter schools.

The competition hypothesis actually encompasses two distinct propositions. The first is that the leadership of urban school systems will respond to an identifiable
competitive threat. The second is that the responses of system leadership to competition will result in substantive, positive changes in the systems. This chapter will examine both of these propositions. In particular, four questions will be addressed: 1.) What is the scope and significance of any observed changes in the public school system? 2.) To what degree were these changes due to the implementation of choice reforms? 3.) How does the local context shape the impact of choice? 4.) How does the capacity of the choice program and its evolution over time change the effects?

Competition generally works in one of two ways. Competitive forces can overwhelm existing organizations, stealing their market share and forcing them to either change or become extinct. Alternatively, competition—or its prospect—can provoke an anticipatory response, prompting organizations to improve and individuals to innovate. The first model depends on the existence of substantial competition, and the second depends on members of the status quo organization feeling compelled to act. In the absence of such compulsion there is little reason to expect a competitive.

Previous Research

The market presumption is that markets will reward efficient firms that deliver the goods that consumers desire, encouraging efficiency and innovation, though scholarly consideration of deregulation and privatization suggest that such straightforward accounts pay insufficient attention to the nature of many public sector activities.

What happens when a voucher program is been introduced? Does anything really change? Are educational markets likely to work as desired in urban school systems? Or, are there institutional arrangements or market conditions that will shape how markets function? The object of this case study is not to prove a particular contention regarding
school choice, but to deepen the way we think about market-based school reforms, to offer a more nuanced theory of education markets, and to encourage additional research.

Choice advocates suggest that the “invisible hand” of market competition will compel school leaders to compete for students to ensure the survival and success of their schools, causing the efficiency and quality of schooling to improve. However, Elmore (1990) has pointed out that information, externalities, and the extent of competition can powerfully shape market effects. Further, the market hypothesis implicitly assumes that organizational changes will be pushed through to the classroom core, though research makes clear there are substantial barriers to effective implementation.

In the case of schools, competitive effects are not expected to materialize simply because teachers are inspired to suddenly become more effective. Rather, school board members, the superintendent, and central administrators will be compelled by political or financial pressure to see that their schools retain students and satisfy the community. System leaders may do this by leaning on employees to perform more effectively or by permitting new schools and new ways of doing business to percolate up through the system. A productive market response thus depends on what these leaders do and on their having the means to compel employees to cooperate, or their willingness to allow principals and teachers to operate in ways that may defy convention.

To drive particular changes through multiple layers of deputies, system administrators, principals, and teachers must have sanctions and incentives at their disposal (Fullan 1991). This elongated chain means significant changes in school outcomes are likely to emerge only gradually in the case of large, multi-layered urban school systems. Since monitoring subordinates is unpleasant and frustrating, leaders
have an incentive to focus on pursuing new resources or adding services or programs that augment existing practices (Wilson 1988).

Existing research on competitive effects has generally tried to impute effects from historical existence, focused on the effects of charter schools in a variety of districts, or examined the impact of choice in other countries. Research has paid scant attention, however, to how competition affects urban districts.

One approach has sought to deduce competitive effects by examining how the presence of more public or private school choices affects the performance of public schools. In systematic studies, some scholars (Borland & Howsen 1992; Dee 1998; Hoxby 1998) have found that more competition increases the quality of public education. Smith and Meier (1995), on the other hand, examined a one-state sample and found no evidence that private school competition affected school quality. It is important to note three limitations to this body of work. First, because it is measuring the effects of historical choice situations, findings may not translate to new institutional arrangements (Armor & Peiser 1998: 159). Second, the control variables used in these analyses may not fully account for other forces that may be affecting public school performance. Third, and particularly relevant here, this work does not address the short-term effects of competition, the change process, or how context may matter.

A second body of work has studied how various kinds of school systems respond to the presence of charter schools and open enrollment. There is evidence that charter competition has prompted some districts to take noticeable actions such as opening new "themed" schools, creating "add-on" programs, and offering new activities (Rofes 1998; Vanourek et al. 1997). Similarly, two studies of Massachusetts’s open enrollment
program (Armor & Peiser 1998; Aud 1999) have found that three of ten sample districts which had lost students to the program took steps to regain a substantial portion of the lost enrollment. On the other hand, Wells (1998) found that California public school principals saw no point in responding to the charter school challenge, since the public educators felt the deck was stacked against them. Hassel (1999) has also observed that charter schools have spurred districts to engage in activity—such as refusing to provide necessary records, or cutting popular programs in order to galvanize hostility to charter schools—unlikely to improve education.

Third, some research from abroad has touched on competitive effects, though—as in American research—the issue receives relatively little attention. Researchers have found that schools and districts tend to adopt superficial changes, that they focus on marketing, and have found no evidence that competitive educational markets led to improved school performance (Gewirtz et al. 1995; Gorard 1997; Woods et al. 1998).

**Methodology**

This study focuses on the nature of political and bureaucratic responses to competition. We explore how competition may change urban school systems by focusing on the short-term consequences of competition and on what those short-term results may tell us about long-term effects. The behavior of public school officials and educators will crucially determine how markets change the education students receive. Any systemic changes are likely to emerge from the central administration and then be channeled down the organization. Therefore, the extent and nature of administrative reaction will provide critical insight into the consequences of competition.
Voucher programs provide an outstanding opportunity to examine the competition hypothesis because they permit parents to use a set amount of government educational funding to attend a public or a private school. Voucher programs make competitive use of existing private school capacity, threaten public schools with the loss of public dollars, and make it easier for new firms to enter the market. Cleveland has boasted one of the nation's three public voucher programs, the small experiment having existed since 1995.

The research consisted of dozens of interviews with educational participants and observers in Cleveland; visits to a number of public and private schools; archival searches of newspaper coverage; and extensive review of school system documents, board minutes, private papers, statistical data, and secondary documents. The research was conducted between January and August 1999.

The analysis focuses on the political, organizational, and educational behavior of the Cleveland Public School (CPS) system. Focusing explicitly on the short-term effects of competition is not to discount long-term effects or to suggest that short-term effects will reflect the long-term consequences of choice. Economists are notoriously unimpressed with the short-term because it is in the long-term that markets settle into equilibrium. There are two reasons for the short-term focus here. First, long-term benefits that may emerge from competition do not help those currently in poor schools. Particularly when considering disadvantaged urban children, short-term impacts may be very important. Second, while competition may produce long-term gains in productivity and efficiency, we know little about how or when these will materialize.

In the long term, many of the key elements of urban education will prove amenable to change. Who teaches, the training they receive, the regulations governing
schooling, and the institutional configuration of the schools can all be modified. In the short-term, however, these constraints will prove far less malleable and we need to understand what that portends for the effects of competition.

In focusing on the response to choice we have explicitly chosen not to look at test scores or other outcome data. Instead of looking at these measures, which competition will impact only indirectly and over time, we focus explicitly on how key players inside and outside the school system reacted to the presence of competitive threat. A difficulty in examining and interpreting the record is the churning of policies and reforms that characterizes urban school districts, which can make it difficult to clearly determine the nature or source of any particular change. This account tries to use multiple sources and the documentary record to minimize potential confusion.

This analysis does not seek to determine whether competition has caused schools to improve or worsen in any discrete dimension. Rather, the more modest goal here is to illuminate how and why competition may matter. The approach adopted is obviously limited and imperfect. However, unless we choose to wait until such programs have been in existence longer and have yielded more systematic data, it behooves us to learn what we can from the data that is available. The findings here should be regarded as tentative and suggestive, but they should help to structure our thinking and to inspire new research.

The Cleveland Experience

The Cleveland school district shares many of the features of other urban school districts: it is large; has a poor, heavily minority, and highly mobile population; and has faced serious financial problems in recent years due to a declining tax base. In 1998, the district enrolled 73,312 students in 121 schools and employed 8,441 full and part time
employees, including roughly 4,700-4,800 teachers.\textsuperscript{vii} The system budget in fiscal year 1998-99 was $539 million, a 7% increase from the $504 million received in fiscal year 1997-98. In 1996-97, Cleveland spent $7,409 per pupil, with $5,020 for instruction and the rest for support and non-instructional expenses.

Teacher turnover has consistently been in the 6% to 10% range through the 1990s. For fall 1999, a growing rate of retirement had resulted in 500 teacher vacancies, positions that CPS was often hard-pressed to fill with certified teachers. The average CPS teacher salary in 1998-99 was $43,443, a figure slightly below the average in area districts. System employees are heavily unionized, with about 98-99% of classroom teachers in the AFT and its local branch, the Cleveland Teacher’s Union; the unions thus have tremendous control over what is and is not permitted in teacher contracts.

Like other urban districts, Cleveland was the site of a great deal of education reform throughout the 1990s. The number and variety of reforms makes it more difficult to draw conclusions about the consequences or effectiveness of any particular reform, but that suggests the need for greater care in the research rather than failing to examine the subject.

Cleveland’s troubled history of race relations and court interventions have helped shape CPS’s governance structure and the implementation of education reforms. Segregated housing became the norm in Cleveland with the influx of black migration before World War II, and CPS responded to these demographic changes by creating “option” areas where white families would have the choice of using specified (predominantly white) schools, rather than their neighborhood school (Jefferson 1991: 204-207).
In 1973 the NAACP filed suit in U.S. District Court to force the city to integrate its schools. In August 1976, Judge Frank Battisti required the CPS to begin extensive mandatory busing and in February 1978 he ordered a number of additional changes. For years, school officials moved slowly in executing the court's orders, prompting Battisti to hold the board and the system's top officials in contempt of court in 1980 and appoint an administrator to oversee desegregation. The desegregation fight prompted large numbers of white parents to send their children to private schools or move to the suburbs, resulting by the early 1990s in a CPS student population that was over 70% black (Theiss 1993). As in other cities, social tensions produced by forced busing left tremendous mistrust and bitterness. In this context, choice reforms were viewed suspiciously by many civil rights activists who viewed them as a backdoor effort to resegregate CPS.

A troubled school system

Choice reforms in Cleveland should be seen in a context of the city's economic difficulties, poor educational track record, and history of racial antagonism. Over the years, the school board was assailed for micro-management and overcentralization, which had resulted in a rigid and overly bureaucratic system (Butler 1997: 46). In 1985, popular and respected superintendent Frederick D. Holliday committed suicide in the hallway of one of the schools. His suicide note said he was "sickened by political battles with the school board," and the suicide served as a poignant symbol of CPS's problems. Turnover and instability came to characterize the highest levels of the CPS leadership—by the late 1990s, 15 different superintendents had led the system in the previous thirty years.
Superintendent turnover and city-state conflict created confusion, making it difficult for school-level and system personnel to tell who was in charge or for those in charge to wield significant influence. As one union observer noted: “We’ve had so many changes in leadership, it’s like the right hand doesn’t know what the left hand is doing... We never knew who we were dealing with, whether it’s the governor or the mayor, the city or the state...you don’t know who you’re negotiating with and who’s calling the shots.” The system’s problems and the lack of clear leadership also hurt the morale of CPS administrators and teachers.

The school system was also plunged by widespread corruption. A 1987 levy raised $60 million, but by the 1990s all but $6 million had been spent with no evident capital improvements. Throughout the late 1980s and into the mid-1990s, CPS suffered through a large standing debt, declining revenues, and increasing operating expenses. The district had only been able to pass one property tax increase to fund education between 1970 and 1995 (Butler 1997: 50). In 1991, a reformist “Four L” slate—so labeled because of their last names—swept to victory, winning four school board seats with the support of Mayor Michael White. The Mayor fought publicly with the unions and the superintendent’s office for control of the school board and the CPS. By 1995, however, only one of the original “Four L’s” remained on the Board, and it was generally recognized that the reform effort had stalled.

By the mid-1990s, CPS was widely regarded as being in a state of crisis. On proficiency tests, just 23% of CPS ninth graders passed the math portion of the test. In 1996-97, just 27.51% of the 6,281 students who entered the system as ninth graders in 1992-3 graduated as seniors (Buckeye Institute 1998: 14). The school system faced a
$29.5 million budget shortfall, and as many as 25 school buildings were judged to be beyond repair. In 1994, two attempts to secure additional operating funds by placing a levy on the ballot failed.

The 1995 reform push

The year 1995 was a watershed for the CPS, which had been reeling from the levy failures of 1994 and the unexpected resignation of superintendent Sammie Campbell Parrish in early 1995. On March 3, 1995, U.S. Circuit Judge Robert Krupansky ordered the state to take control of CPS because the system had failed to comply with the ongoing desegregation lawsuit. The state installed Richard “Dick” Boyd as deputy state superintendent for Cleveland. Boyd assembled a strategic blueprint, started decentralization (with only minimal progress), and launched an accountability system.

During the period of state control, the city’s elected school board continued to operate, albeit without any significant decision-making power. The board contested state control in the courts, creating further confusion. In 1997 Boyd passed control to Jim Penning, a key deputy and a veteran in the Cleveland system. However, Penning was quickly fired when the mayor was angered by his contract. In September of 1998, when the state officially returned control of CPS to the city of Cleveland, the mayor appointed New York City Area Superintendent Barbara Byrd-Bennett as CEO.

In addition to inaugurating a period of rapid leadership change, 1995 saw the state legislature pass a pilot voucher program for Cleveland. The voucher effort had begun in October 1993, when two Republican legislators—Representative Michael Fox and Senator H. Cooper Synder—had introduced legislation that would create a two-year pilot voucher program for 4,000 students in Cleveland. The “scholarship plan” would provide
tuition money of about $2,200 per student; the money would be redirected from the state’s per pupil basic aid program to public schools. The bill was ultimately defeated, but it put vouchers onto the agenda in Ohio. In January 1995, with a new Republican majority installed in the General Assembly and Republican Governor George Voinovich on record as supporting vouchers, the proposal gained new life.

On January 31, black Councilwoman Fannie Lewis led 300 supporters in a pro-voucher rally at the state capital in Columbus. The vocal support for vouchers by minority group leaders (including also Mayor White) was crucial because of Cleveland’s troubled desegregation history. The day of the rally, Voinovich included in his biennial budget a pilot voucher proposal for 4,000 students that would permit poor parents in selected districts to receive a $2,500 voucher to be used at a private, parochial, or alternative public school of their choice. Students would be admitted by lottery, only k-3 students would be eligible, and tuition at voucher schools was to be capped at no more than 10% above the voucher amount.

From the start, Cleveland was central to the discussion, because of the dire and highly visible problems plaguing the city’s schools. Interest in using Cleveland gained an additional boost in March 1995 when the court ordered the state takeover of CPS. On April 6, 1995, the General Assembly voted 59-39 to pass the budget, including the voucher program, after rejecting 57-41 a bid by Democratic Rep. Ronald Gerberry to strip the voucher program from the bill. The Senate then stripped the voucher program from its budget, but Assembly Republicans successfully fought to restore the program in conference. Conferees rejected a proposed Commission on School Choice to oversee the voucher program, instead giving the state superintendent of public instruction oversight
responsibility. The final two-year state budget allocated $5.2 million for a voucher program in the Cleveland school district.

The Cleveland Scholarship and Tutoring Program was restricted to students who resided within the Cleveland City School District and met income requirements which restricted vouchers solely to students from low-income families. The vouchers were to be equal to 90% (up to a maximum of $2,250) or 75% (up to a maximum of $1,875) of the alternative school tuition, with the scholarship amount depending on the recipient’s family income level. Private schools were allowed to charge no more than ten percent of the voucher’s value in additional fees or tuition. The money allocated for the program would provide approximately 2000 students with vouchers. Any private school—including religious schools—that registered with the superintendent and agreed to certain restrictions could accept voucher students. In the initial year of the program, only k-3 students were eligible. However, once they had received a voucher, scholarship recipients could continue to receive scholarship funds until they completed eighth grade.

The original legislation establishing CSTP also allowed as many as 50% of the scholarships to be used by students who were already enrolled in private schools; that number was later reduced to 25% by the Ohio Department of Education.

In short, the voucher program was restricted in a number of important ways. It was limited to the cities’ poorest students, to certain grades, to a relatively low level of tuition, and in the number of available vouchers. In addition, students who accepted vouchers and left the public schools would continue to be counted in the enrollment number of the Cleveland system for state funding allocations, dramatically reducing the threat posed to CPS by lost students. It is also important to note that the maximum
voucher amount provided in the program was less than half of the per-pupil expenditures of the CPS ($6,507 in 1997). These political compromises dramatically curtailed the competitive pressure the program could impose on CPS.

The program launch was postponed in August when Voinovich and the legislature decided to give education officials a year to set up the program. After it did begin, the program was largely drowned out by the noise of the state takeover. The effort to fix the financial crisis and build an accountability plan, and then to hand over control of CPS to the mayor, attracted far more local attention than the voucher program.

Of the $5.25 million allocated for the program’s first two years, $250,000 was budgeted for set-up and administrative costs. The money for the program was to come out of the state’s DPIA (Disadvantaged Pupil Impact Aid) budget, although there is much confusion on this point among public school officials, union leaders, and local observers in Cleveland. No one seems very sure about how much money the program cost Cleveland. Some union officials claim the money comes out of the CPS budget, but they were not entirely clear on the point. Meanwhile, there is no evidence that the program funding had any noticeable effect on CPS expenditures. Given the lack of noticeable losses produced by student departure, the incentive for system leaders to respond to choice was minimal.

The state takeover

US Circuit Court Judge Krupansky’s March 1995 decision called the district “a ship without a rudder” and ordered the state to assume control of the system’s management. Krupansky declared the school system to be in a “state of crisis” and said “internal dissension, management problems, and a crippling budget deficit had
undermined the district’s ability to carry out its educational program” (Bradley 1995). This development further confused the situation and pushed aside the issue of choice. As one local education reporter observed, “In the midst of all of the noise involving the takeover, the voucher proposal got very little attention...people had so many problems of their own to deal with that this was more of a sideshow out of Columbus.”

The Judge ordered CPS to close at least 14 schools in major disrepair and to prepare an operating levy for voters. The takeover and resultant media attention generated a flurry of activity. Several actions taken by CPS were cited by some observers as evidence of genuine reform and/or as a response to the competition produced by choice schools. In the summer of 1995 the CPS shut down 11 underperforming schools to save money, transferred their over 1200 teachers and staff, fired 161 teachers, and slashed the system’s overall budget. Two of the system’s worst schools were also closed under what was called “reconstitution” (Critique 1995).

Upon further inspection, however, these changes offer little evidence of substantial change or of a response to the voucher program. The only element of the reforms that appeared to work as intended was the plan to shut down several underperforming and dilapidated schools. While significant, this measure is far less than the triumph reformers sought, and was due much more to explicit language in the court order than to voucher-inspired concerns. The teacher lay-offs proved hollow. Almost all of the teachers that were laid off by the system were hired back in the fall, both because of a successful legal challenge by the union and because the system had more teaching vacancies than it could fill.
The district’s attempt to “reconstitute” two schools encountered similar problems. An interview with the new principal of one of these schools reveals that the reconstitution occurred only two weeks before the start of the school year, after the school was identified as a “low-performing school” beset by declining test scores. Initially, the entire staff was laid off, but the CTU protested and sued, and ultimately, one-third of the previous staff returned. The remainder of the new faculty came from transfers from other CPS schools (many of whom had been squeezed out of their old schools because they were poor teachers) and from inexperienced new hires. The district had promised that the school would be given greater financial and administrative flexibility, but the principal reported that this never materialized. The CTU opposed the principal’s request to have grade-level teams meet regularly to develop curriculum and assessment strategies and the union contract limited his ability to hire, fire, reward, or discipline his teachers. The details of reconstitution demonstrate the system leadership’s constrained ability to push fundamental change even in Cleveland’s worst public schools, due largely to union constraints and a shortage of good teachers and principals.

In what was proclaimed as a major initiative to improve accountability, the union agreed in the 1996 contract negotiation to the creation of Academic Achievement Plans at each school. By writing these plans into the contract, however, the CTU was able to control them and ensure they included no significant sanctions. As the union’s newsletter noted, “all power for developing the AAP’s for each school is now legally in the hands of teachers at that school...The AAP cannot change contractual agreements covering compensation, fringe benefits, the grievance procedure, due process requirements, union organization, evaluation, transfer, seniority, layoff/recall, or any contract provision not
related to the Academic Achievement” (Critique 1996). The union also agreed to school governance councils, which started with a first wave of eight schools in 1998-99. The union leadership makes clear that they were comfortable with all of these measures because they were able to control the terms under which they would be implemented. Partly due to the positive public relations resulting from the union’s “flexibility”, the court-ordered levy on the November 1996 ballot passed. The immense levy promised to generate about $67 million a year in additional funding for the system.

The launch of the voucher program

The CSTP received 6,244 applications and awarded 3,814 scholarships for the 1996-1997 school year. Of the 3,814 scholarships offered, 1,994 were utilized. About 50 schools had been approved for the program by January of 1996. The majority of these participating schools—like the majority of private schools in Cleveland—were Catholic. Several sources estimated that the Cleveland Diocese has roughly 70,000 students, although it is considerably larger than the City of Cleveland and encompasses most of Northeast Ohio.

On January 10, 1996, however, just five days before the Ohio Department of Education was to award the first vouchers, the program was dealt another blow when a coalition of teachers unions, public school administrators and civil libertarians filed a lawsuit challenging its constitutionality. Voucher supporters mounted a vigorous defense, with Governor Voinovich arguing, “It is hypocritical for the union to oppose choice for parents applying for [the plan] when studies of 1990 census data indicate that 39.7 percent of Cleveland teachers exert their right to educational choice by sending their
children to nonpublic schools" (Stephens 1996: B1) Plans for the voucher program moved forward, despite the legal uncertainty.

**HOPE and parochial schools**

A key question for the voucher program was where the voucher students would enroll. Akron industrialist and choice proponent David Brennan sought to fill this void with the creation of a nonprofit group called HOPE for Cleveland’s Children that would open Hope academies to serve voucher students almost exclusively. At the start of the 1998-99 school year, the Hope Tremont and Hope Central Academies enrolled about 450 students. They would limit class size to thirty, provide a teacher’s aide in each class, and intended to integrate technology into their instruction with six computers per classroom, among other features. The HOPE academies, although ostensibly autonomous, were all administered by the White Hat Management Company, an organization created by Brennan to provide the initial start up funds for the HOPE schools. White Hat also apparently supplemented the per-pupil voucher amount with additional funds, although White Hat and Hope employees were reluctant to discuss their financial arrangements in detail.

The HOPE academies faced a number of serious obstacles. The schools had to recruit teachers, apply for a state charter, buy books and materials, locate classroom and office space, and perhaps most daunting, convince prospective parents to send their children to schools without a proven track record. The HOPE schools also had limited financial resources, crimping their operations. The per-pupil voucher amount (a maximum of $2,500) was less than half the per-pupil expenditures of the CPS, and the schools were not provided with any public start-up funds.
The student population of the Hope academies also presented a serious challenge. The Hope schools are almost entirely made up of voucher students who, by definition, were from the poorest families in the city. Hope officials report that voucher students often arrived with histories of academic and behavioral problems. The Hope schools also shared CPS’s problem with high rates of student mobility—on average, 10% of Hope voucher students would leave during the school year and one-third would turnover from year to year. The Hope schools had not undertaken any substantial advertising by June 1999, although a radio ad campaign was in the works. Instead, the schools primarily relied on word of mouth.

Teacher turnover was also high—in part because the salaries at the Hope schools, while slightly higher than many local private schools, were significantly lower than those offered in CPS. At Hope Central Academy, for example, only two teachers returned from the previous year, while teacher assistant turnover was almost complete. In an attempt to staunch these loses, the Hope schools announced that their teachers would receive a 20% raise in 1999-2000.

The Hope schools were created as an alternative to the public school system amid much fanfare, but their early difficulties have demonstrated that it will take new voucher schools several years before they can become serious competitors to the better funded public schools. This is due both to the obstacles inherent in attempting to educate the most difficult students in the inner cities and to financial and political obstacles. Brennan blamed voucher opposition from the Cleveland public school system and teachers’ unions for making it more difficult to start up and operate the Hope academies. He also argued that the many constraints on the voucher program indicated that it “was designed...
fail.” As a result of the continuing political and legal uncertainty surrounding the voucher program, in the summer of 1999 Brennan announced plans to close down the voucher academies and reopen them as charter schools. This promised to shrink the political constituency supporting vouchers even as it undercut the capacity of the private school system, thus reducing the threat that vouchers could pose to the public school system.

Although much attention had been given to the Hope schools by the press in Cleveland, the great majority of the 59 schools which participated in the voucher program between 1996 and 1998 were religiously-affiliated. Of the 3,744 students who utilized vouchers during the 1998-99 school year, 3,030 of them attended religious (primarily Catholic) schools. The number of voucher students enrolled in a given school varied from one to 174, with the average participating school enrolling 50 to 100 voucher students.

Interviews suggest that private schools were interested in voucher students largely as a means to offset declining enrollments. One school we visited in 1999 had seen its enrollment drop over time from 300 to 152—and 73 of the current students are in the voucher program. The headmaster noted that “If we had not accepted voucher students we probably would not be here because of the financial burden on the parents.”

Early Problems

As noted above, the Cleveland public school system was rocked by a number of significant events in the years following the introduction of the voucher program in 1995. There was rapid and repeated turnover in system leadership as Richard Boyd, Jim Penning, Lou Erste and then Barbara Byrd-Bennett assumed control. In 1996, the district also narrowly avoided a system-wide teacher strike when the union postponed its initial
strike date and Mayor White stepped in and leaned on the state to forge a settlement. The union was initially dissatisfied with its deal, with no salary increases scheduled for the first two years. However, after the huge court-ordered levy passed in November 1996, the union demanded and received substantial salary concessions. The post-November negotiations illustrated the constraints on the school administrators. Union leaders recall the frustration of the state’s negotiator, who was used to being able to threaten to “move the plant to Mexico” but who had no such recourse in negotiating with the CTU.

As noted earlier, the ongoing legal battle over the constitutionality of the voucher program limited the program’s effect by creating doubt about its permanence. This dissuaded potential entrepreneurs from opening schools and parents from using the program. On May 8, 1996 Judge Krupansky further complicated the start of the voucher program in Cleveland when he ended the practice of cross-town busing in Cleveland and instead gave parents the power to choose their children’s schools as part of the district’s 23-year old desegregation case.

In July 1996, barely one month before the voucher program was scheduled to begin, Franklin County Court of Common Pleas Judge Lisa Sadler ruled that the program could go forward. Two days later, voucher opponents made good on their promise when filed an appeal and requested an injunction from the 10th District Ohio Court of Appeals. On August 12, the 10th District Ohio Court of Appeals denied the request for the injunction, permitting the voucher program to begin on schedule. On August 28, three of the newly created private voucher schools opened for business. Early numbers indicated, however, that the pilot program appeared to have little impact on CPS. Fewer than 700 children had utilized the vouchers to leave the public school system for private schools,
as many of the voucher recipients had already been in private schools (Stephens 1999, August 29).

Political battles added to the uncertainty surrounding the voucher program generated by the court challenges, and further clouded its future. Governor Voinovich submitted his biennial state budget on February 3, 1997, earmarking $5.8 million to expand the program by an additional 1,300 vouchers. Democrat John Bender responded by proposing an amendment to eliminate the program. Bender’s amendment was tabled during consideration of the budget. On May 2, 1997, as the Cleveland voucher program neared the end of its first year, the 10th District Ohio Court of Appeals ruled 3-0 that the program was unconstitutional because “it has the primary effect of advancing religion,” noting that about 80% of the 53 private schools participating in the program were religious in nature (Lane & Hallett 1997). The district court postponed its ruling, however, to allow the voucher program to continue until the Ohio Supreme Court could rule on the matter, which it did in May of 1999 when it reversed the lower court’s ruling.

In 1997-98, the program’s second year, it received 5,186 new applications and awarded 1,595 scholarships, of which 1,289 were utilized. By 1998-99 this number had grown to a voucher population of approximately 3,700 students, which amounts to roughly 5% of the total public school enrollment (Heritage Foundation 1999: 3). The capacity of the Cleveland voucher program to expand significantly beyond its current size appears to be quite limited. By 1998, thirty-three of the city’s 39 Catholic schools were already participating in the program and many were at or near capacity (Cohen 1998: 46). And despite the efforts of Voucher Program Administrator Bert Holt and others to persuade neighboring suburban public schools to accept voucher students, not one has
agreed to do so. They were concerned about the caliber of student they would receive and the small size of the voucher (which was significantly lower than the per-pupil expenditures of the suburban public schools).

Private schools participating in the voucher program also reported difficulties in obtaining student records from CPS. Further, although the CPS was responsible for providing transportation for the voucher students, the transportation did not materialize and the scholarship program resorted to using taxicabs to bring the students to their assigned schools for extended periods. The exorbitant taxicab expenses and a number of administrative failures and examples of mismanagement in the voucher program were highlighted in a critical report issued by State Auditor Jim Petro in April 1998. The report claimed that the program lacked clear policies in some areas and had failed to verify the eligibility of its participants, with at least 23 children whose families made more than $50,000 a year receiving vouchers (Petro 1998: 7). Ohio education officials responded by indicating that they would step up scrutiny of the program.

Regaining local control

Added to the uncertainty of the direct legal challenges to the voucher program was an earlier March 24, 1997 ruling by the U.S. Supreme Court which questioned Ohio's method of financing its public schools. On June 30, 1997, Voinovich signed a biennial budget bill that included $4.9 billion in lump sum school funding that was to be divided up after the state devised its new funding formula (Schnailberg 1997). The bill also renewed the voucher program for two years, added 1,000 new kindergarten vouchers, and allowed third grade graduates to continue using vouchers in the fourth
grade. The changes meant that 3,000 children, all chosen by lottery, were set to receive vouchers worth as much as $2,500 for the coming school year.

On March 27, 1998 U.S. District Chief Judge George White declared that Cleveland had fulfilled its legal obligations to desegregate its public schools. The judge declared the school system to be "unitary" and concluded that the state-appointed interim superintendent and district officials had done all that could be expected to remedy the harm created by past segregation (Hendrie 1998). In August 1997, Governor Voinovich signed House Bill 269, dissolving the powerless Cleveland school board that had remained in office during the preceding three years of state control. The bill gave control of CPS to the mayor, who appointed a new nine-member board and a new CEO. Bill 269 also made other significant changes, particularly in dictating that central administrators served at will and that building principals did not have to be traditionally certified. These changes held out the possibility that system governors could enjoy substantially more authority in running the system. The size, scope, and tumult of these changes also, however, pushed the pilot voucher program into a position of tertiary significance.

Muddy evidence on program

Another complication suppressing competitive pressure was the ambiguity surrounding the achievement of students at voucher schools and the voucher program generally. A Public Agenda study of parents in Cleveland and Milwaukee found that 60 percent knew "little or nothing" about vouchers. As a group spokesperson noted, "It's hard to overstate how unfamiliar and confusing these proposals are to most citizens—parents included." (Stephens 1999: B5) Conflicting findings on the performance of voucher students further confused parents and politicians. This helped to restrain
parental interest in the program and helped ensure that its political future remained somewhat tenuous. Contradictory studies on the test scores of voucher students by Harvard and Indiana Universities were released in 1997 and 1998 amid much publicity clouded the debate on the effectiveness of vouchers. Within the confines of academia, some research is regarded as more scrupulous and convincing. However, for the lay audience, the fact that reports differ on the effects of vouchers outweighs any concern about their relative technical virtuosity. Doubts about the program's success interacted with its murky legal status, fostering doubt about the long-term viability of vouchers.

One local education reporter noted the difficulty that the media had in gathering and disseminating accurate information on the voucher program to people in Cleveland. “Think tanks are routinely coming out with reports about vouchers being good, about them being bad, conservative think tanks on one side, and the AFT on another side... Our coverage is dependent on research, good clear research...The conflicting research is a handicap in trying to tell this story to parents and to taxpayers.”

The financial impact of the voucher program on the Cleveland public school system was also the source of much confusion, as public school defenders argued that the loss of the voucher funds would hit their budgets hard. State officials, however, pointed out that the Cleveland school district was still allowed to count voucher students in its enrollment numbers for funding purposes and that a funding formula for disadvantaged students was adjusted upward so the district had not lost money as of 1999.

Minimal effects

The latest system superintendent, Barbara Bird-Bennett, has been able to purge the central office under the provisions passed in House Bill 269, which let her fire central
administrators and use assessment as a new accountability instrument. But this and other examples are changes already in the toolkit of aggressive public sector reform, not a direct response to the introduction of market-based reforms. The public school system leadership does not perceive voucher or charter schools to be a serious threat and has a very limited ability to respond to such a threat in any case. The limited impact of choice is due in part to features unique to the Cleveland context, including the muddled control and accountability resulting from court supervised desegregation, a state takeover, and mayoral control.

The school district's 1998 report nonetheless highlighted a number of "major initiatives" underway to improve the school system. The district noted that it was attempting to decentralize administrative authority from the central office to the schools, had implemented a full-day kindergarten, had set annual targets for proficiency test performance and attendance, and had created "Academic Achievement Plans" and "Attributes of an Excellent School" surveys. However, as is typically the case in the constant waves of reform that characterize urban school systems (Hess 1999), interviewees explained that these measures produced little substantive change.

Interviews with teachers and administrators and outside observers in 1999 showed that they did not regard the voucher program as any kind of serious threat to CPS. No interviewee pointed to any changes in policy or behavior at the district, school, or classroom level that had been motivated by competition. To the degree that teachers have responded at all to choice reforms, it has been to decry the voucher program as a political menace and to express anger that money is being "redirected" from the public schools. Rosemary Herple, the Executive Director of the Cleveland Initiative for
Education, typified the mindset of most observers. She said, “The district is always going to have plenty of students to teach. I mean, so what if they took 2,000 kids out. Now if you take 20,000 kids out, that’s different. The voucher and charter initiatives didn’t reduce our teaching force or touch teachers’ pocketbooks. This stuff hasn’t registered with principals either—it just not high on their radar screen.”

As one private headmaster said, “I think Cleveland is just so big that they don’t really care about losing a few students. I never got the impression that they were worried about closing or anything. I don’t think that’s a realistic possibility.” The lack of a perceived threat meant that the teachers never felt compelled to grant major contractual concessions. The severe shortage of teachers in Cleveland further reinforced the union’s leverage. Since the start of 1996-97, the district had been hiring 500 or more teachers a year—a turnover rate of at least 12%. Unable to find enough certified teachers, CPS had to fill about 100 slots with provisional teachers at the start of 1998-99. This desperate search for teachers means both that no teachers are in danger of being laid off due to a loss of enrollment and that the system administration has no leverage with which to dictate to teachers. CPS is also constrained in what it can do by the lack of talented or entrepreneurial principals in the system. By several informed estimates, only about 15 to 25 (roughly 20%) of the 118 CPS principals are talented and ambitious enough to respond aggressively to efforts to decentralize management of the schools.

A competitive model requires a credible market threat—or at least an anticipatory response predicated on the fear that a credible market threat will emerge if no action is taken. However, the limited size, early difficulties, and bleak political and legal prospects of the voucher program in Cleveland, along with the limited availability of
additional seating in the private school system, undermined the threat that the voucher experiment could pose to CPS. Even as the voucher program enrolled three percent, and then five percent of the school population, it drew apathetic responses, even from union officials and system administrators. In fact, in spring 1999, CTU officials appeared more energized about curricular and class fights in Columbus than about the voucher program.

Crucially, despite losing some students to the CPS, the system did not lose substantial amounts of funding. This was due in part to the fact that the number of students in the CPS continued to increase despite the voucher losses and in part to the fact that the vouchers were funded from sources other than the main CPS budget.

The principal of one public elementary school remarked that while there were three Hope academies near his school, he didn’t see them as competition “at all” because their agenda was of a “religious nature” and because they had the benefit of selective admissions. In addition, the principal had no idea what the specific number of students lost to the voucher program was due to a very high school-level turnover rate—roughly 22% of students per year—and the fact that neither the school nor CPS collected any information on why students left. Another observer said, “I think vouchers are viewed as a relatively small side program...People don’t believe that any kind of universal program is ever going to happen.”

The limited capacity of private schools in Cleveland sharply curtailed the program’s potential threat. As Bert Holt, the CSTP administrator noted, “We’re reaching saturation real fast. As the program has expanded, existing private schools that are willing to take voucher students have filled all of their vacant seats. And they are
unwilling to expand their facilities to accommodate more voucher students because of the legal uncertainty surrounding the program.”

Many private schools have made it clear that they will never participate in the voucher program because of concerns about the academic caliber of the CPS students, potential discipline problems, and the effect which “outsiders” might have on the schools’ identity. The small amount of the vouchers (which was far below their per-pupil costs) was also a major deterrent. Many of the private—mostly parochial—schools that had accepted voucher students, on the other hand, were either unwilling or unable to significantly expand the number of seats for voucher students. Many of the schools have classrooms that cannot physically accommodate any more students, particularly since the private schools tend to be in older buildings. Some private school headmasters also indicated that the academic and behavioral problems that accompany many of the voucher students is a major concern.

Educators, both managers and teachers, tend to be preoccupied with the day to day challenges of curriculum design, grading, and discipline (Lortie 1975). As one observer noted, “As far as the impact of vouchers, other than for the AFT and one or two members of the union, there has not been a darn thing. There’s so much other macro chaos that has hit the system. Since the [voucher] bill was passed...the union and a lot of the principals and teachers have been busy trying to follow who is who. They are preoccupied with questions from, ‘What is my latest evaluation instrument?’ as a principal to ‘Who do I call to get this purchase order through?’ The idea that there’s competition from Hope or the parochial schools has really not influenced them very much—it has not really been on the radar screen.” As one union official noted, “teaching
is a difficult job—it takes a lot of energy and our teachers in the classroom are struggling, trying to do the best that they can and therefore they really don’t worry about things like charters and vouchers.”

The Cleveland union leadership responded to the voucher program by waging a political struggle against the program. Union officials argue that very few CPS kids are actually leaving the system to go to private schools under the voucher program, but that most vouchers are issued to families that already used or intended to use private schools. The unions do not fear the voucher program and thus have not felt the need to respond to it by agreeing to substantive public school reforms. One board member noted that the teachers’ unions effectively killed all of the board’s reform initiatives. She remarked that “anything we try—if we try to move an inch—the union objects.” Choice reforms had little effect, she said, because union obstruction remained the obstacle to significant improvement in CPS.

The future of choice in Cleveland

As the 1999-2000 school year approached, the future of Cleveland’s voucher program remained uncertain. As of May 1999, 3,744 voucher students were enrolled in 59 private schools. Continuing legal ambiguity, however, dampened the willingness of parochial schools or independent operators such as David Brennan to expand their capacity or open new schools. As noted earlier, Brennan has closed Hope Central and Hope Tremont Academies and reopened them as charter schools which do not accept voucher students. Brennan stated that the move was prompted by parents’ concerns about the stability of the two voucher schools, their ability to survive repeated legal challenges, and the much larger per-pupil subsidy given to charter schools ($5,000
maximum, with $4,500 coming from state aid and $500 from federal Title I money) than to voucher schools. "The voucher system was totally inadequate to cover our costs," Brennan explained.

As a result of the loss of the HOPE schools and the inability of the program to secure additional spaces, the voucher program ran into a serious capacity problem in the Fall of 1999. Sandra Berry, the new head of the voucher program, indicated that it was unable to place "a lot" of the new voucher students due to the lack of open seats in the participating private schools. This problem was further exacerbated when two other private schools closed during the 1999-2000 school year due to financial difficulties, leaving the total number of participating schools at 56 (only one more than when the program began). Berry indicated that the future expansion of capacity was uncertain and in any event would not occur until the legal and financial uncertainties surrounding the program were resolved. In short, vouchers will exert only the faintest competitive pressure, even as the potential threat of charter schooling could begin to take shape.

On May 27, 1999, the Ohio Supreme Court upheld the program's constitutionality on church-state grounds but struck it down on technical grounds. The Court ruled that the voucher program had been improperly authorized in 1995 by a rider attached to an omnibus appropriations bill, when Ohio's constitution limits each piece of legislation to one subject. The court delayed the imposition of its ruling until June 30 so that it would not interrupt the school year. One of the ruling justices, Judge Paul Pfeifer created further confusion about the constitutionality of a significant expansion of the program when he wrote in a footnote, "It is possible that a greatly expanded school voucher
program or similar program could damage public education. Such a program could be subject to a renewed constitutional challenge” (Brown & Theiss 1999: A1).

Doubts about the future of the voucher program were fed by other events during the summer of 1999. The state Senate passed a measure that would have prevented students in the program from using vouchers after the fifth grade, though the legislative budget that passed ultimately allowed current fifth grade voucher students to continue into the sixth and seventh grades. A July investigation into the voucher schools by The Cleveland Plain Dealer produced much negative publicity. The Plain Dealer found that some schools had operated without a state charter or with unlicensed teachers (one school had hired a convicted murderer and drug dealer as a teacher), and that other schools had not administered required state proficiency exams. In addition, many facilities were found to be in violation of health and safety codes. The publicity spurred the state to undertake immediate inspections and to try to remove three of the schools from the voucher program (Vosburgh and Stevens 1999: A1). These events again cast doubt on whether the voucher program could be sustained, undermining the threat posed to CPS.

In late August, 1999, U.S. District Judge Solomon Oliver Jr. ruled that the voucher program appeared to have “the primary effect of advancing religion” and suspended it as unconstitutional. A few days later, however, he partially reversed himself and allowed students who had participated in the program during the previous year to continue to receive vouchers, although new students were not allowed to use vouchers as planned (Associated Press: August 28, 1999). On November 5, however, the U.S. Supreme Court in an unusual move, set aside Judge Oliver’s order, permitting the program to continue and expand until the federal appeals court rules on the issue. Judge
Oliver, meanwhile, was expected to rule in late December on whether to turn his preliminary injunction against the voucher program into a permanent one. Reports indicated, however, that a large number of parents had removed their children from the voucher program due to the continuing uncertainty and funding issues. Private schools participating in the voucher program were also owed approximately $860,000 in back tuition payments from the state as of December, and financial difficulties had led some schools such as Marotta Montessori (which had lost 53 voucher students) to close some of their campuses (Vosburgh 1999: B1).

**Conclusion: A quiet competitive environment**

For competition to spur school improvement, the market must either overwhelm the resistance in public schools or the threat must inspire educators and school administrators to undertake an anticipatory response. Neither kind of response to vouchers was evident in Cleveland during 1995-1999, for a number of reasons. The Cleveland public school system has undergone a number of dramatic changes since the mid-1990s. However, these changes were not inspired by the voucher program, nor have the changes appeared to produce significant substantive changes in how CPS teachers and administrators approach teaching and learning. The small size of the voucher and charter programs and the managerial chaos within CPS have precluded any general recognition of choice reforms as a viable competitive threat to the public school system.

The private schools that accept voucher students in Cleveland operate under a number of constraints that limit their effectiveness as competitors. This is particularly true in the case of the Hope academies, which had served as the most visible result of the voucher program. The lack of funding and paltry resources of the Hope academies has
limited their attractiveness as an alternative to public schools—indeed these were fundamental elements of compromise legislation which sought to appease public school supporters. Participating parochial schools, meanwhile, generally only accept a limited number of voucher students and do not have the resources or desire to expand their number of voucher students significantly. The number of private schools participating in the voucher program also remained largely flat over the program’s first three years, increasingly slightly from fifty-five schools during the 1996-1997 school year, to fifty-nine early in 1998-1999.

Public school administrators and union officials in Cleveland were very aware that political opposition and limited private school capacity make the voucher program a largely symbolic threat. They remarked often on both the small current size and limited future capacity in proclaiming that the voucher program was not a serious threat to CPS enrollment. Particularly coupled with steady increases in CPS enrollment (from 69,211 to 73,312 students between 1995-98), the bleak future prospects for vouchers helped dissuade CPS from mounting an anticipatory response. One union official recalled trying to spur CPS administrators to launch an outreach and advertising effort in response to the Hope schools, and finding that, “They just didn’t want to bother, they didn’t think it was necessary.” Further, to the degree that the CPS administrators notice that some students are using vouchers to leave the system, they may welcome it. Those families using such options are likely to be more educationally demanding, so their departure may actually simplify the lives of those managing the troubled CPS system. While the loss of these agitators for reform may harm the system in the long run, in the short term it makes things easier for teachers and administrators (Hirschman 1970).
As of 1999, vouchers appear to have had virtually no significant impact on CPS—largely due to the small scale of the program and uncertainty surrounding its continued existence and potential capacity, but also due to the immense turmoil characterizing the Cleveland Public Schools. Potential competitive effects in Cleveland were overshadowed by the state takeover, frequent changeover in leadership, resultant system reforms, the accountability push, and the mayor's new role. The muted impact of choice reforms is also due, however, to features common to many urban school systems, particularly the existence of strong unions and limited staff accountability due to rigid contract stipulations, teacher shortages, and student turnover. These elements are particularly relevant because the small size of the voucher program meant that most responses would have to be anticipatory—the lack of attention to vouchers and the constraints on the system, however, dampened any such efforts.

We are not suggesting that competition will not or cannot cause urban school systems to change—only that it has not done so in the short term in Cleveland. More significantly, we suggest that how choice-based programs fit into the larger educational, political, and organizational context will dramatically shape the competitive environment. For instance, charter schooling has thus far been a non-issue in Cleveland; many local observers are not even certain whether they exist or where they may be located. However, especially with the conversion of the Hope schools, the availability of start-up assistance, and the stable political and legal future of charter schooling, it is very possible that significant competitive pressure may begin to evolve. How that pressure is likely to play out, what its implications are for school performance, and how desirable it may be are questions richly deserving of future research and discussion.
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Much of the disciplinary research on the effects of educational markets has focused on the conceptually distinct question of how students in choice schools fare vis-a-vis their peers in traditional schools (Greene et al. 1999, Rouse 1998, Witte 1998).

Programs have existed in Milwaukee since 1990 and Cleveland since 1995. The 1999 Florida voucher legislation primarily targets urban schools. Programs have been proposed for other large cities including New York and Washington DC.

See Dilulio (1994), an edited volume, or Kettl (1993) for thoughtful discussions of these issues.

See Stiglitz (1988: 194-198). Interestingly, Stiglitz notes the existence of substantial research questioning whether private sector providers are always more efficient than their public sector counterparts.

For useful discussions of this point, see Elmore (1996) or Fullan (1991).

Bryk et al. (1997: 174) note that judging the effects of structural school reform is “like trying to assess the effectiveness of a major corporate restructuring, which can take 10 years or more to unfold fully.” They suggest that such efforts should be measured not in terms of short-term profitability, but for long-term effects. In terms of urban schooling they recommend the approach adopted here, which is to focus on observed organizational changes rather than short-term test score changes.

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