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# In Defense of Neoliberal Education Policy

## *Or, Why Ravitch Is Wrong about School Choice*

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GREGORY M. DEMPSTER

**D**iane Ravitch’s article “Why I Changed My Mind,” published in the June 14, 2010, edition of *The Nation*, is notable not only for the abrupt about-face from one of the Bush Sr. administration’s foremost advocates of federally mandated school accountability standards, but also for the idea that the reforms that followed—in particular the Bush Jr. era “No Child Left Behind” (NCLB) legislation—represent a nationwide accountability experiment that can be employed to judge all school choice initiatives and other “neoliberal” education policies in the United States. Ravitch subsequently systemized these thoughts into an influential book (Ravitch 2011). However, school choice advocates, in general, do not necessarily agree with her interpretation of events; rather, the overwhelming sentiment among these advocates is that the Bush Jr. era reforms never did in fact even approximate the types of programs that truly exemplify “school choice.” It is worth reviewing the background and evidence regarding Ravitch’s claims to understand whether recent reforms do or do not represent an accountability experiment and what (if any) conclusions can be drawn from their now somewhat (though not entirely) discredited approach. In conjunction with this review, the current article

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provides a detailed, up-to-date accounting of the legal developments at federal and state levels that relate to school choice and help to define the realm of activities that exemplify school choice in the broad sense of the term.

## Background

School choice refers to the notion that parents of K–12 children should have some flexibility in determining the nature, conduct, and content of their children’s educational experiences. Compulsory schooling laws in all fifty states require that children of K–12 age receive appropriate schooling but do not prescribe the particular manner in which this education must be delivered. Most localities, in addition to providing public schooling, may have a variety of nonpublic (parochial, private) schooling options available to those willing to pay or able to qualify for scholarships and funding; furthermore, many states offer tax breaks for expenses associated with schooling from private and parochial sources. However, because such opportunities are generally available only to children of middle- to upper-class parents as well as to a select few others, it remains the case that most children are confined by means of resources and residence to one or, at most, a few public-school choices.

To an extent, the concept of parental choice in schooling is already deeply engrained in American society (Loeb, Valant, and Kasman 2011, 143). Charles Tiebout (1956) notes that families can and often do sort themselves into communities that best satisfy their interests and preferences, and this is undoubtedly true for parents of school-age children with the willingness and ability to avail themselves of the variety of choices available among public and private schools in different areas. The phenomenon of “white flight” to suburban areas is often attributed in large part to parents’ desire to ensure a range of viable and meaningful options in terms of K–12 schooling for their children. In essence, such families are exercising a form of school choice available to those with means (resources) at their disposal. Similarly, private-school choice is very similar to the choice of communities for public schooling because it “typically requires some degree of expendable resources” (Loeb, Valant, and Kasman 2011, 143). More than 10 percent of K–12 students attended private schools as of 2010 (National Center for Education Statistics 2010). Thus, the relevant question is not whether school choice exists, but which types of choice do and do not exist, in what areas, and how prevalently.

Milton Friedman (1955) is often cited as the instigator of the substantive debate on school choice in the United States. In proposing a system of broad parental choice in K–12 education, along with the separation of public funding of education from its public provision, Friedman’s article is said to have “ushered in one of the fiercest debates” on educational policy in the country’s history (Loeb, Valant, and Kasman 2011, 141). However, as noted earlier, the notion of parental choice in the framework of compulsory education has a history that stretches much farther back.

## Typology and Evidence on School Choice Initiatives

Among the many types of school choice initiatives that are frequently discussed and developed, apart from the aforementioned private and residential options, we can distinguish between at least five categories:

1. *Choice among public-school options.* This category includes the practices of district school systems that allow students to enroll in one of many schools throughout the district or even from other districts. There are some school districts where children are not assigned to specific schools but must choose from among all (or many) district schools. Families in these districts are asked to rank schools according to preference but are not guaranteed the school of their choice, with criteria for selection often based on socioeconomic and other factors. Interdistrict transfer is also allowed in some states, with as many as 2 to 3 percent of children in states such as Iowa and Minnesota attending schools outside their district of residence (Sugarman 2004, 77).

2. *Charter schools.* Charter schools are independent, tuition-free public schools that are privately operated and thus released from many state and local regulations in exchange for rigorous academic, fiscal, and managerial standards set down in the school charter (Loeb, Valant, and Kasman 2011, 143). Because charter schools are autonomous public schools, they are free to innovate in areas such as curriculum design, learning environment, school culture, and the like. Funding follows the student from his or her residential school district to the charter school. Public-private partnerships have been used to finance the construction and maintenance of some charter schools. Roughly 1.4 million students, about 3 percent of all students, are enrolled in nearly five thousand charter schools in the United States.

3. *Homeschooling.* The National Center for Education Statistics reports that in 2009 approximately 1.5 million K–12 students were homeschooled (2010). This means that the impact of homeschooling is similar in magnitude (number of students) to that of charter schools in the United States. Regulation of homeschooling varies widely from state to state. Reasons for homeschooling children also vary among parents who choose this option, from religious beliefs and curriculum standards to quality concerns and disagreement with public-school policies. A series of recent court hearings in California, *In re Rachel L. et al. and Jonathan L. v. Superior Court of California* (73 Cal. Rptr. 3d 77 [2008]; 81 Cal. Rptr. 3d 571, 576–77 [2008]), established that although no “absolute right to home school exists,” parents nonetheless “possess a constitutional liberty interest in directing the education of their children,” and that the state must justify interfering with this parental liberty by satisfying a judicial scrutiny test of compelling interest or an existing state power (qtd. in Olsen 2009, 403, 406).

4. *School vouchers.* A school voucher program allows parents to send their children to a public or private school of their choice, with public funds from the school district of residence being allocated to the family to help pay tuition and fees at their

chosen school. This type of program most directly achieves Friedman's goal of separating public funding (which follows the child) from public provision of education (Loeb, Valant, and Kasman 2011, 143). Greg Forster (2011) reports in a review of school voucher program research that the overwhelming majority of random assignment studies on student outcomes indicates a beneficial effect and that a similar majority of studies indicates that the effect of voucher programs on the performance of public schools is positive. Although a small number of studies found no statistical effects on these margins, none of the studies Forster examined showed negative effects on either student or school performance (see also Wolf 2008).

5. *Education savings accounts, tax-credit scholarships, and individual tax credits.* This category represents the many different types of tax shelters, deductions, and credits available to individuals and some corporations for education scholarships and other approved educational expenses. For example, scholarship-granting organizations are nonprofit entities that use donations to fund scholarships for private-school tuition to qualified applicants.

Given this broad array of school choice initiatives, in operation to varying degrees all over the country, a blanket statement that school choice has "been tried" and has or has not worked is likely to be an oversimplification. Indeed, Ravitch appears to have in mind only a limited number of principles that have apparently been "learned" from the implementation of NCLB, almost none of which relate directly to school choice as characterized above. According to Ravitch, "NCLB made accountability the nation's education policy." She notes that it "used to be the case that educators could more or less ignore federal education policy," but that NCLB had made this impossible due to the requirement of state-level testing, with performance tracked by school and within-school sub-groups, that has incentivized states to "game" the system by lowering standards (2010, 20, 21). Ravitch attempts to implicate in this argument the modicum of school choice measures mandated in NCLB, such as the requirement that children in failing schools (about one-third of the nation's public schools as of 2010) be offered a choice of different public schools after a sustained period of subpar performance or the requirement that failing schools that do not meet projected five-year targets be privatized, chartered, or turned over to state control. But she provides absolutely no evidence that these particular requirements have had any effect, positive or negative, on outcomes; instead, she points only to the evidence that federal mandates in the NCLB have not produced significant improvement in randomized assessments such as the National Assessment of Educational Progress. This evidence begs the question of whether the lack of improvement is a reflection of the "testing" mandate, which is not a school choice initiative at all, or of the "choice" mandate, which may or may not be considered a true school choice initiative because it somewhat oxymoronically "mandates choice."

Of course, most of the debate about school choice at the state and local levels is not over whether choice should be "mandated" federally, but over whether it should even be allowed. In other words, NCLB may tell us absolutely nothing about

whether experimental approaches to school choice are likely to be productive. Accountability, in the language of school choice, stems not from a requirement that states test all students and show progress for designated subgroups, but from the interplay between the providers of services and the consumers of those services in the educational “marketplace”—accountability, in this sense, is not accountability to a test, but accountability to a set of customers. It is the combination of competitive pressure and cooperative strategy exhibited in markets for all sorts of valuable services that “neoliberal” education policy seeks to develop and exploit for the good of educational consumers. When focusing on this aspect of school choice, Ravitch’s analysis falls far short of the mark. She cites only one piece of evidence regarding *any* of the aforementioned types of school choice initiatives, a 2009 nationwide study of charter schools by the Center for Research on Education Outcomes, which found that only 17 percent of charter schools outperformed matched public schools (cited in Ravitch 2010, 22). However, a more recent comprehensive review of the empirical literature published by the Albert Shanker Institute indicates that although charter school performance varies widely and on the basis of many characteristics, there is nonetheless “tentative evidence suggesting that high-performing charter schools share certain key features, especially private donations, large expansions of school time, tutoring programs and strong discipline policies” (Di Carlo 2011, 1). This more comprehensive evidence also indicates that charter-school performance improves over time, and that individual students’ performance is also a function of the time spent in a charter school (Di Carlo 2011, 3). As the review makes clear, there is nothing about “charterness” that necessarily improves performance; rather, it is charter schools’ ability to experiment with particular policies and funding mechanisms and the possibility that best practices will emerge from this experimentation that make them viable options in the menu of available school choice initiatives.

Even more troubling is the lack of any attempt by Ravitch to grapple with the emerging literature on school choice initiatives such as vouchers, homeschooling, tax incentives, and the like or on the substantive state and local reforms that incorporate many such features together into one package. The Foundation for Educational Choice has produced two nationwide reviews of voucher initiatives that show overwhelming evidence from random assignment studies that these reforms often produce higher performance for both public-school systems and individual students (for one of these reviews, see Forster 2011). Likewise, the evidence from comprehensive reforms in the state of Florida since 1999—which include extra funds to high-performing schools, allowances for transfers from schools that repeatedly get low grades, a merit-pay system for teachers, new certification methods, and a voucher system that allows transfer between a variety of public, private, charter, and even online schools—suggests that broad-based neoliberal reforms can turn one of the nation’s worst-performing school systems into one of the nation’s best within ten to twelve years (“Conservative Education Reform” 2012). In fact, it is hard to

come up with an explanation for the Florida system's rapid improvement that does not, at least in some way, give credit to choice-based reforms.

The main battleground in the school choice debate has not, in fact, been in the area of performance, primarily because the different frameworks under which reform has been attempted do not—contra Ravitch—yet allow for a clear, unambiguous record of the merits or pitfalls of choice-based reform at the state or local level. Instead, the debate has tended to revolve around the constitutionality or legality of such reforms in the context of the comprehensive, public-education system. Therefore, an understanding of the legal evolution of choice-based reform in the United States is essential for properly comprehending the spectrum of school choice initiatives available and the likely avenues to further development.

### Legal Bases for School Choice in the United States

All school choice programs operate within a structure—a framework of rules that will shape “the kinds of outcomes that choice will ultimately generate” (Moe 2008, 257). Within some structures, school choice will generate problems; in others, it will generate huge benefits; and, in still some others, it will lead to no discernible effects at all. “Different structure, different outcomes” implies that getting the structure right is a matter of great importance (Moe 2008, 258). Part of that structure, of course, is the legal framework in which school choice operates. George Willis notes that all of the aforementioned types of school choice initiatives have legal bases that have evolved over time but are often discussed in a manner stripped of historical context and “as if” in a legal vacuum, the results of which are “more heat than light and more hard feelings than enlightenment” (2002, 8).

Since the Supreme Court decision in *Trustees of Dartmouth College v. Woodward* (17 U.S. 4 Wheat. 518 [1819]) established that private schools have a right to exist, the legal framework for school choice in the United States has developed and transformed in response to the various innovations attempted by both state governments and individuals. Much of the legal basis for public support of schools had been well established by the end of the nineteenth century. School choice, however, and, in particular, the legal standing of private schooling in America were still in flux. *Meyer v. Nebraska* (262 U.S. 390 [1923]) established that both the state and parents are entitled to make reasonable choices about the parameters of a child's compulsory education—the state in regard to regulation of and basic content (reading, writing, math, history, and so on) in both public and private schools and parents in regard to additional educational outcomes (teaching of religion in private schools, for example). Soon afterward, *Pierce v. Society of the Sisters of the Holy Names of Jesus and Mary* (268 U.S. 510 [1925]) added that states may not require public-school attendance as part of compulsory education and must allow scope for choice of legal alternatives. These decisions became foundational benchmarks that have informed the development of school choice laws over the past century.

A number of subsequent cases dealt with the relationship between public funding and private provision of K–12 schooling. *Cochran v. Louisiana Board of Education* (281 U.S. 370 [1930]) indicated that the use of public funds for textbooks (and other materials) in private schools is acceptable as long as it is the child, not the institution, that receives the benefit. In establishing this principle, the Supreme Court provided a means by which even religious private schools could become a beneficiary of public funds so long as the intent behind the funding is nonsectarian and directed toward providing a general educational benefit directly to school-age children. *Everson v. Board of Education* (330 U.S. 1 [1947]) extended this principle by adding transportation to and from private schools as among the aforementioned “child benefits” and thus acceptable from the standpoint of constitutional law. The School Lunch Act of 1948 also followed the “child benefit theory” with regard to the provision of free lunches.

Thus, both case law and legislation had established by the mid-twentieth century that benefits given directly to children (or their parents) for valid educational purposes do not violate the Establishment Clause even if the funds provided for those purposes end up being appropriated by private, sectarian schools. Other parallel developments in higher education supported this principle. The Serviceman’s Readjustment Act (1944), better known as the GI Bill, provides funds that can be used to pay for any sort of education that a qualifying former serviceman wants, whether it be a religious education or a secular education. Likewise, the Higher Education Act of 1965 essentially offers vouchers (Pell Grants) for qualifying college-age students to attend any school of choice. Both of these legislative acts are being used as models for K–12 innovation as well; for example, the Department of Education’s proposed Pell Grants for Kids initiative would seek to establish similar programs for K–12.

Later case law developments have clarified the relationship between public funding and private provision of education. *Lemon v. Kurtzman* (403 U.S. 602 [1971]) established a three-part test for determining adherence to Establishment Clause, requiring (1) a secular legislative purpose, (2) a primary effect that neither advances nor inhibits religion, and (3) no excessive entanglement between church and state. Although the decision in *Lemon* went against the provision of public funds to parochial school teachers of nonreligious subjects in Pennsylvania, it became part of a developing standard for the allowance of such funds in situations where the benefits flow directly to parents of private and parochial school children. *Mueller v. Allen* (463 U.S. 388 [1983]) upheld Minnesota’s income tax credit for educational expenses, including private-school tuition, even though a vast majority of credits were claimed by parents of children in religious schools. Justice Rehnquist writing for the five-to-four majority, cited five reasons:

1. The benefits would contribute to the public welfare by promoting education, thus meeting the test of a tax deduction.



2. The credits would benefit church schools only indirectly, as the parents would receive the tax relief, eliminating any government partiality toward religion.
3. The class benefiting is broad.
4. The law provided equity for parents of children in private schools because those parents bear a greater financial burden in educating their children.
5. The law did not establish any particular religion.

The *Mueller* decision is notable because it combines the standards established by the “child benefit theory” with those of the *Lemon* decision to produce five separate principles for school choice initiatives to avoid violation of the Establishment Clause: (1) a valid secular purpose; (2) a direct benefit to school-age children or the parents of those children, but not to a sectarian educational institution or its employees; (3) a benefit to a broad-based class of citizens; (4) the preservation of actual, substantive choice, including nonsectarian alternatives; and (5) neutrality with respect to the establishment or hindrance of religious practice. Indeed, in a very notable and more recent decision, *Zelman v. Simmons-Harris* (536 U.S. 639 [2002]), the Supreme Court upheld a Cleveland school voucher program on the bases described in *Mueller*. In the words, once again, of Justice Rehnquist writing for the five-to-four majority, such programs are deemed “neutral in respect to religion” when they “provide assistance directly to a broad class of citizens, who, in turn, direct government aid to religious schools wholly as a result of their own genuine and independent private choice.” Justice Rehnquist further explained that, since “the incidental advancement of a religious mission, or the perceived endorsement of a religious message, is reasonably attributable to the individual aid recipients not [to] the government, whose role ends with the disbursement of benefits,” such programs do not represent a violation of the Establishment Clause (qtd. in *Foundation for Education Choice* 2012, ¶3).

The *Lemon*, *Mueller*, and *Zelman* decisions have established a fairly consistent fivefold test for school choice initiatives to avoid conflicts with the Establishment Clause: the program must have a valid secular purpose; aid must go to parents and not to the schools; a broad class of beneficiaries must be covered; the program must be neutral with respect to religion; and there must be adequate nonreligious options.

However, as Clint Bolick notes, although the *Zelman* decision may have “removed the First Amendment cloud that had hovered over school choice since it was a glint in Milton Friedman’s eye,” subsequent chapters are being written even now, primarily at the level of state (as opposed to federal) constitutionality. Most states “have constitutional provisions regarding religion that are more specific than the First Amendment” (2008, 336, 341). Such provisions tend to fall into one of two categories: the so-called Blaine Amendments and provisions forbidding the compelled support of state religion. The Blaine Amendments, named for a nativist U.S. senator, James G. Blaine (1830–93), who sponsored similar (failed) legislation

in Congress, represent an attempt to “preserve Protestant hegemony by forbidding the use of public funds for ‘sectarian’ (i.e. Catholic) schools” (Bolick 2008, 342). Amendments of this sort can be found in almost forty state constitutions (Bolick 2008, 341). They remain a potentially significant hurdle for some state-level school choice initiatives, having been the basis, for example, in the failure of a Puerto Rican program (*Asociacion de Maestros v. Torres*, 137 D.P.R. 528 [1994]). The Vermont Supreme Court likewise upheld a challenge to its school choice program on the basis that the compelled support clause in the Vermont Constitution required the exclusion of religious schools (*Chittenden Town School Dist. v. Dept of Education*, 738 A.2d 539 VT [1999], *cert. denied, Andrews v. VT Dept of Education*, 528 U.S. 1066 [1999]).

On other fronts as well, state-level innovations face constitutional hurdles. The Colorado Supreme Court struck down that state’s voucher program prior to implementation on the grounds that it violated a state provision that guarantees local control over education (*Owen v. Colorado Cong. of Parents, Teachers, and Students*, 92 P.3d 933 [2004]). Other challenges come in the form of “uniformity” clauses in state constitutions. These provisions require that state policies ensure uniform, efficient, and/or high-quality education opportunities and are common in state constitutions. On this basis, the Florida Supreme Court, in *Bush v. Holmes* (919 So.2d 392 [2006]), struck down an “opportunity scholarships” voucher program intended solely for children in failing schools.

## Conclusions

The school choice debate is a complex one, often characterized by heated rhetoric and limited historical context. As this essay has shown, there is a clear line of development in the legal framework around school choice, but much remains to be decided. William Bassett suggests that it is fundamental to any viable system of publically funded school choice “that the schools will provide all students an equal and genuine secular education.” Indeed, he notes that although school choice initiatives, like vouchers, benefit many private and parochial schools indirectly, they are in fact secular concepts with secular roots (2008, 244, 246). Nonetheless, issues concerning the establishment of religion and the separation of church and state will continue to confront innovations in school choice at both the federal and state levels for some time to come. It is hoped that the eventual outcome of this progression, which proceeds in fits and starts, will be a system of K–12 schooling that does provide some degree of uniform, efficient, and high-quality education for all children in the United States. We should watch with some interest the legal developments over the next few years in order to chart and direct this progression to its best feasible ends.

However, the idea that NCLB represents a valid accountability experiment by which school choice initiatives on the state and local level may be judged is flawed in

its very concept. School choice is not conceived by its advocates as a way of mandating particular ways of measuring outcomes or particular reforms that are to be monitored federally, but as a way of opening up the power of competition among providers and cooperation among constituents to bring about substantive but decentralized experimentation and accountability on the basis of consumer preferences—in this case, preferences for educational outcomes. It is this important aspect of neoliberal education policy that Ravitch not only fails to address but apparently has missed altogether. The result is that her article highlights the inadequacy of federally mandated education policy rather than shedding any real light on the notions of accountability and choice in the manner she supposes.

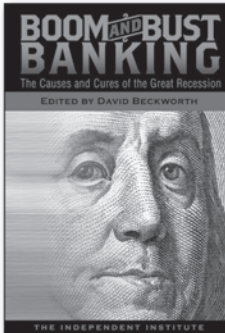
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