

# Muffled by the Din: The Competitive Noneffects of the Cleveland Voucher Program

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*School choice proponents have hypothesized that market-based education reform will compel traditional public schools to become more effective. We explore this hypothesis by examining how the introduction of the Cleveland voucher experiment in 1995 affected the administration and leadership of the city's public schools. As of the summer of 2001, the program had produced virtually no visible effects. The voucher program has been relatively unthreatening during this time period because of its small size, its uncertain legal prospects, and certain institutional features—some of which are unique to Cleveland and others that 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. The central lesson of the Cleveland case, however, is not that competition cannot cause urban school systems to change; it is that the timing and degree of such changes will be largely a product of the particular educational, political, and organizational context as well as the design of choice programs themselves.*

## INTRODUCTION

Market-based education reform has gained increasing scholarly attention among political scientists in recent years. Scholars have sought to understand how market forces will affect the quality and character of schooling. It has been hypothesized that market-based education reform will compel traditional public schools to become more effective. The presumption is that markets will reward efficient firms that deliver the goods that consumers desire, encouraging efficiency and innovation. Scholarly consideration of deregulation and privatization, however, suggests that such straightforward accounts pay insufficient attention to the nature of many public sector activities and, in particular, to the ways in which systems are constrained by organizational resources and patterned behaviors.<sup>1</sup> Relatively little scholarly attention, however, has sought to understand the nature or degree of these constraints or their implications for how choice-based reforms may affect schooling.<sup>2</sup>

In this article, we examine the impact of concentrated choice arrangements on public school systems in a geographically confined area through an analysis of the response of the Cleveland Public School System to a voucher program between 1995 and 2001. 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 sometimes ignored questions of program size or scope when discussing competitive effects (Nathan 1996; 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 1995), and have pointed to cases where the opening of even one charter school produced “ripple effects” (CER 2000).

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 is the failure of more traditional reform strategies in the nation’s severely troubled urban districts (Hill and Celio 1998; Hess 1999b) 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,<sup>3</sup> 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.<sup>4</sup> 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 article 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 effect.

This article will use the Cleveland case to explore whether educational markets are likely to work as desired in urban school systems, and whether there are institutional arrangements or market conditions that will shape how these 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.

## PREVIOUS 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.<sup>5</sup> Previous research on bureaucracy (Allison 1971; Chubb and Moe 1990; Wilson 1988), organizations (March and Olsen 1987), and schooling (Peterson 1976; Meyer and Rowan 1983), however, makes clear that systems are constrained by organizational resources and patterned behaviors. In addition, Elmore (1990) has pointed out that information, externalities, and the extent of competition can powerfully shape market effects.<sup>6</sup> Nonetheless, relatively little scholarly attention has sought to understand the nature or degree of these constraints or their implications for how choice-based reforms may affect schooling.

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 of educational reforms.<sup>7</sup> 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 seek to 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, multilayered 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).

It has been noted, however, that there is a relative paucity of work on the question of how public school systems respond to competition (McEwan 2001). Existing research on competitive effects generally falls into one of three categories: It focuses on the measurable effects of choice reforms in a variety of districts, tries to impute effects from historical existence, or examines the impact of choice in other countries.

One recent body of work has studied how school systems in a variety of locales respond to the presence of vouchers, charter schools, and open enrollment. Hoxby (2001) and Greene (2001b) have analyzed student test score data and found that public schools subjected to or threatened by voucher and charter competition perform better than similar schools that did not face this type of competition. There is also evidence that charter competition has prompted some districts to undertake more readily observable behavioral responses. In particular, actions such as opening new themed schools, creating add-on programs, and offering new activities have been observed (Rofes 1998; Vanourek et al. 1997; Hess, Maranto, and Milliman in press c; Hess 2001b). Other studies have found that some systems have undertaken various steps to enhance their appeal to students and parents (Armor and Peiser 1998; Aud 1999; Arsen, Plank, & Sykes, 2001; Maranto 2001; Hess, et al. 2001b). Wells (1998), however, 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 to galvanize hostility to charter schools—unlikely to improve education.

Another approach has sought to deduce competitive effects by examining how the presence of more public or private school alternatives affects the performance of public schools. Some previous research has found that more competition increases the quality of public education (Borland and Howsen 1992; Dee 1998; Hoxby 1998, 2001; Greene 2001a, 2001b). Sander (1999), on the other hand, found that local private school competition did not appear to improve test scores in Illinois. Jepsen (1998) found similar noneffects nationally, while Smith and Meier (1995) and Wrinkle, Stewart, and Polinard (1999) found no evidence that private school competition improved the performance of school districts in Florida or Texas, respectively. 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 and 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 final body of research has examined the competitive effects generated by choice programs in other countries, although as in American research, the issue receives relatively little attention. These researchers have found that schools and districts tend to adopt superficial changes and focus on marketing and have found no evidence that competitive educational markets led to improved school performance (Gewirtz, Ball, and Bowe 1995; Gorard 1997; Woods, Bagley, and Glatter 1998; Bishop 2000; Fiske and Ladd, 2000).

Scholars have thus reported a range of responses to competition, raising questions about how and why school systems respond or do not respond to a competitive threat. In this article, we are primarily concerned with furthering understanding of the conditions that influence such responses. Previous research into choice reforms suggests that the response to competition may depend on factors such as socioeconomic context, school organization, political context, and program structure.

## 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 1999 and October 2001.

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,<sup>8</sup> we focus explicitly on how key players inside and outside the school system reacted to the presence of a 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 CONTEXT

Entering the late 1990s, the CPS operated in a difficult context similar to that of many other cities and marked by budget shortfalls and a student population that is poor and highly mobile, with a large number of black students. Enrollment grew slightly during the 1990s, from 70,760 in 1989–90, to 72,728 in 1993–94, to 76,558 in 1998–99.<sup>9</sup> During the decade, CPS operated roughly 120 schools. The district continues to project climbing enrollment, anticipating it will have more than 78,000 students by 2002 and more than 80,000 by 2006.<sup>10</sup> The steady growth had produced a facilities squeeze, aggravating the serious financial problems of the CPS due to a declining tax base. The strain on the public school system had also increased because the enrollment in Cleveland private schools had declined precipitously over time.<sup>11</sup>

In fiscal 1998, CPS employed more than 8,400 full- and part-time employees, including nearly 4,800 teachers. Total district employment had increased by more than 400 employees from the previous year.<sup>12</sup> The 1998–99 CPS budget was \$539 million, a 7 percent increase from the 1997–98 budget of \$504 million. In 1997–98, per pupil spending was \$7,799, with \$4,289 spent on services directly related to instruction and the rest on support services and noninstructional expenses. Those totals were up markedly from 1996–97, when Cleveland spent \$7,151 per pupil, of which \$4,063 went to instruction.<sup>13</sup>

Teacher turnover has consistently been in the 6 percent to 10 percent range through the 1990s. For fall 1999, an increasing rate of retirement had resulted in 500 teacher vacancies, positions that CPS was often hard-pressed to fill with certified teachers. The district anticipated a growing wave of retirements in the coming years, both because (as of 1996–97) more than 67 percent of CPS teachers had ten or more years of experience and because CPS teacher salaries were slightly below the average in neighboring districts. System employees are heavily unionized, with about 98–99% of classroom teachers in the American Federation of Teachers (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.

There was some limited choice available in the state of Ohio prior to the passage of the Cleveland voucher plan. In 1990, Ohio became the fifth state in the country to pass statewide open enrollment. The law took effect in 1993–94 and required public schools to accept district students if they had available space. Students were also given the ability to transfer between districts with the state's share of per-pupil funding following them to their new school. By spring 1999, interdistrict open enrollment currently was in effect in more than half of the state's 600 school districts, though the number of participating students was relatively small.

## A TROUBLED SCHOOL SYSTEM

Cleveland's contentious history regarding race relations and desegregation played an important role in shaping the background for the CPS reaction to school choice. Segregated housing produced a system of segregated schools in Cleveland, and in 1973 the NAACP sued to force Cleveland to integrate public education.<sup>14</sup> In 1976, Judge Frank Battisti found the city and state guilty of "intentionally and deliberately operating a racially dual public school system in Cleveland." He required CPS to pursue desegregation through an extensive system of busing, which was strongly opposed to and resisted by white parents and school officials in the city.<sup>15</sup> In 1980 Judge Battisti found the board and top administrators in contempt of court, criticized their "procrastination," "aimless administration," and "lack of will to desegregate," and appointed an administrator to oversee desegregation efforts.

The desegregation fight radically reshaped the demographics of the CPS student population as it spurred white families to flee the public schools for private schools or the suburbs. In the twenty years after court-ordered busing began, CPS enrollment dropped from 125,00 to about 73,000 and changed from mostly white to more than 70 percent black. As in other cities, the social tensions produced by forced busing left tremendous mistrust and bitterness in the community. In this context, many civil rights activists viewed school vouchers and other school choice reforms with suspicion, worrying that they constituted a backdoor effort to resegregate CPS.

The effect of choice-based reform must also be understood in the context of Cleveland's economic difficulties, poor educational track record, and criticisms of the school system leadership. The school board was repeatedly criticized for centralizing decision making, reducing system flexibility and accountability (Butler 1997: 46). The day to day leadership of the CPS, meanwhile, was characterized by tremendous instability, cycling through fifteen superintendents in the thirty-year period between the late 1960s and the late 1990s.<sup>16</sup>

Turnover in the superintendent's office and the administration, and the continuing struggles between the state and the city and between the mayor and school officials, contributed to the confusion surrounding CPS. This often made it difficult for community members or educators to be sure who was in charge or for those in charge to gain control of budgeting, personnel, or policy. As one union official 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. Organizational confusion, low morale, and the district's wealth of troubles reduced the likelihood that key public school actors would respond to the coming voucher threat in any concerted fashion.

In 1991, prompted by allegations of widespread corruption, Mayor Michael White backed an ambitious reform slate known as the "Four L" slate because all four members had last names that began with the letter "L." The slate swept to victory, claiming four of the seven school board seats. In 1992, the board hired widely respected superintendent Sammie Campbell Parrish from North Carolina, but by 1995, however, the board itself had experienced great turnover and controversy, Parrish had departed, and only one of the original Four L's remained on the board. Mayor White answered this setback by launching a very public struggle with the unions and the superintendent's office for control of the school system.<sup>17</sup>

By the mid-1990s, CPS was widely viewed as in crisis: Per pupil expenditures were relatively high, yet student achievement on standardized tests and graduation rates were poor and getting worse. On the Ohio proficiency tests, which students must pass to graduate, just nine percent of CPS twelfth graders passed the five required tests in 1997–98.<sup>18</sup> The system also had a high attrition rate: In 1996–97, just 27.51 percent of the 6,281 students who entered the system as ninth graders in 1992–93 graduated as seniors. The school system faced a \$29.5 million budget shortfall, and as many as twenty-five school buildings were judged to be beyond repair.<sup>19</sup> One observer noted that, by 1995, CPS was in "disarray, financially and academically. A new superintendent would come in and he or she might be able to bring in a couple people, but the same old entrenched, dysfunctional bureaucracy was in place. The same old folks who knew how to undermine and keep power and financial control . . . would not allow any forward movement" (Archer 1999a).

CPS entered 1995 reeling from two failed levy efforts in 1994 and the unexpected resignation of Superintendent Sammie Campbell Parrish in early 1995.<sup>20</sup> A 1994 agreement providing for Cleveland's 1997 release from court supervision called for the city to raise \$275 million in levies and required that the levy stay on the ballot until approved by voters. On February 28, 1995, however, the school board pulled the proposed levy off the May 2 ballot, fearing its likely defeat.<sup>21</sup> Three days later, on March 3, Judge Krupansky turned control of CPS over to the state.

#### THE STATE TAKEOVER

Judge Krupansky's decision called the district "a ship without a rudder," 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). He ordered the state to assume control of the system's management and directed the CPS to close at least fourteen schools in major disrepair and to prepare an operating levy for voters. The state immediately installed Richard "Dick" Boyd as deputy state superintendent for Cleveland. Boyd moved to assemble a new strategic blueprint, launched a decentralization effort (that made minimal progress), and initiated 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 takeover and resultant media attention generated a flurry of activity over the next few years, which obscured the introduction of choice reforms and the CPS's response to them. Several actions taken by CPS, however, were cited by some observers as evidence of genuine reform, as a reaction to the competition produced by choice schools, or both. In the summer of 1995, CPS closed eleven dilapidated and underperforming schools, transferred more than 1,200 teachers and staff, fired 161 teachers, and slashed the system's overall budget. Two of the system's worst schools also underwent what was called reconstitution.<sup>22</sup>

Upon further inspection, however, these changes offer surprisingly little evidence of substantive change. The only element of the reforms that appeared to work as intended was the plan to shut down several underperforming schools. While significant, this measure was far less than reformers sought and was due more to explicit language in the court order than to voucher-inspired concerns. The teacher layoffs 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 Cleveland Teacher's Union (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 union's collective bargaining agreement remained a major "restraint" to improving the school, he said. 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 limited 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 (AAP) 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 was comfortable with these measures because CTU exercised control over how they would be implemented. In fact, in interviews, at least two CTU officials pointed to these reforms as union "wins" and chuckled at the notion that they could be termed union givebacks. Due in large part to the positive public relations produced by the union's "flexibility," the district succeeded in passing a court-ordered levy in November 1996 that promised to generate about \$67 million a year in additional funding.

Throughout the 1995–97 period, the board pursued legal challenges to state control in the courts, muddying the question of where authority lay and who was responsible for CPS behavior and performance. In 1997, Boyd passed control to Jim Penning, a key deputy and a CPS veteran. However, angry with provisions in Penning's contract, Mayor White quickly removed Penning. In September 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.<sup>23</sup>

## THE EMERGENCE OF VOUCHERS

In October 1993, two Republican legislators, Representative Michael Fox and Senator H. Cooper Synder, announced their plan to introduce Ohio's first voucher bill. The State Board of Education joined a number of organizations (including the Ohio School Boards Association and the state Congress of PTAs) in opposing the Fox/Synder Ohio Scholarship plan, which proposed a two-year pilot voucher program in eight urban districts (including Cleveland). Although defeated when it encountered fierce opposition from Democratic and black leaders, the bill sparked much debate and put vouchers on the state agenda.

In October 1994, two important black Democratic leaders in Cleveland, Mayor White and Councilwoman Fannie Lewis, announced their support for vouchers. Lewis said she was supporting vouchers because Cleveland's public schools had been unresponsive to her constituents. Nonetheless, 1994 efforts to pass a voucher bill were killed in the General Assembly Education Committee.

The crucial turning point for vouchers came in January 1995, when a Republican majority assumed control of the General Assembly. With Republican Governor George Voinovich advocating school vouchers, the *Cleveland Plain Dealer* reported, "House Republicans are giddy at the possibilities to remake primary and secondary education" (Lane 1994). In January, Councilwoman Lewis led a rally of 300 voucher supporters to the state capitol in Columbus. Given Cleveland's troubled racial history, vocal black support was crucial to the possible passage of a voucher bill. On the day of Lewis's rally, Governor Voinovich included a pilot voucher plan for 4,000 students when he unveiled his legislative budget proposal. The plan called for poor parents in selected districts to receive a \$2,500 voucher that could be used at a private, parochial, or alternative public school of the family's choice. Students would be chosen by lottery, eligibility would be limited to students in grades K-3, and the tuition that participating schools could charge voucher families was capped at ten percent above the voucher amount.

From the start, Cleveland was central to the voucher discussion because of the dire and highly visible problems plaguing the city's schools. Interest in Cleveland grew after the March 1995 state takeover of CPS. Assembly Republicans soon rewrote the pending budget proposal to restrict the voucher program to Cleveland, while paring Voinovich's \$12.5 million proposed appropriation down to \$5 million. The bill also included language requiring that parents or unspecified sponsors cover twenty-five percent of a voucher's cost. The state's \$5 million share of the voucher costs would come from state disadvantaged-pupil aid earmarked for the Cleveland district.

The voucher program narrowly passed the state House after a contentious fight, only to be stripped from the budget by the state Senate and then finally restored in conference.<sup>24</sup> On June 1, 1995, despite public protests and opposition from a number of groups, including the Cleveland Teachers Union, the Metro Cleveland Alliance of Black School Educators, the Ohio chapter of the ACLU, and the Interchurch Council of Greater Cleveland, Governor Voinovich signed the two-year state budget that included \$5.2 million for the Cleveland voucher program.

#### THE VOUCHER PROGRAM

The voucher program, officially titled the Cleveland Scholarship and Tutoring Program (CSTP), was restricted to students who resided within the Cleve-

land City School District and met income requirements that restricted vouchers solely to students from low-income families. The maximum state contribution was \$2,250 of school tuition, with the scholarship amount depending on the recipient's family income level. Vouchers were targeted to children in families with income of less than 200% of the poverty line, with additional efforts made to offer vouchers to families with income below the poverty line (in 1995, the poverty line for a family of four was \$15,569).<sup>25</sup>

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 2,000 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 fifty percent of the scholarships to be used by students who were already enrolled in private schools; that number was later reduced to twenty-five percent by the Ohio Department of Education.

In short, the voucher program was restricted in a number of important ways. It was limited to the city's poorest students, limited to certain grades, limited to a relatively low tuition amount, and sharply limited 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 purposes, dramatically reducing the threat posed to CPS by lost students. The maximum voucher was equal to less than a third of the \$7,130 CPS had spent on each student in 1994–95 and was only slightly more than half of the district's \$4,017 per pupil instructional expenditures during that year.<sup>26</sup> These compromises were essential to the voucher program's legislative victory, but curtailed the potential threat vouchers posed to CPS.<sup>27</sup>

The program launch was postponed in August when Voinovich and the legislature decided to give education officials a year to set up the program. When it finally began, however, 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. As one local education reporter observed, "In the midst of all of the noise involving the takeover, the voucher proposal got very little attention. . . . In a sense, people had so many problems of their own to deal with that this was more of a sideshow out of Columbus."

The \$5.25 million allocated for the program's first two years would be paid out of the state's general Disadvantaged Pupil Impact Aid (DPIA)

budget. Under this arrangement, CPS would keep up to fifty-five percent of state aid for each departing pupil, as well as its entire local and federal allotment.<sup>28</sup> However, even three and four years after the passage of the voucher bill, union officials, CPS officials, and community respondents were unclear if the CPS was actually losing due to vouchers, and if so, how much. A management study conducted by KPMG for the Ohio Department of Education, for example, concluded that the CSTP had not resulted in a cut in state financial support for the CSTP.<sup>29</sup> Union officials nonetheless asserted that voucher funding was being taken from CPS, though they admitted to some uncertainty and it was impossible to trace any discrete impacts on expenditures at the system level or in any particular school.

A 1999 report by the Ohio Buckeye Institute (a pro-voucher organization), however, argued that far from harming the CPS financially, the voucher program actually increased the district's resources. The report found that in 1997 the state included 1,290 voucher students in the CPS enrollment count, which gave the system a \$118,473 net surplus. The report concluded, "far from being a drain on Cleveland's government schools, vouchers have been a cash cow." Though union and system officials clearly viewed the voucher program as a political threat worth trying to defeat in the legislature, they were less concerned about the potential short-term financial impact of vouchers and were thus less likely to respond by making changes in the classroom. (See Figure 1 for the entire timeline of events.)

#### THE LAUNCH OF CSTP

When the CSTP office officially opened on November 1, 1995, Director Bert Holt's initial task was to inform potential recipients and to distribute applications. Given that seventy-five percent of parents/guardians in Cleveland did not subscribe to daily newspapers, Holt turned to Head Start Centers, private schools, and welfare recipients—even pushing to have a message regarding the scholarships printed on welfare checks. Holt also turned to ministers of both large and small churches, and the Interchurch Council twice mailed application forms to churches throughout Cleveland.<sup>30</sup>

The CSTP received 6,244 applications and awarded 3,814 scholarships for the 1996–1997 school year (see Table 1). Of the 3,814 scholarships offered, 1,994 were used. About fifty schools had been approved for participation in the program by January 1996. Between 1996 and 1998, fifty-nine schools participated in the voucher program, and most of these schools were religiously affiliated. Interviews suggest that private schools were frequently interested in voucher students as a means to offset declining enrollments. For instance, an administrator in the Blessed Sacrament School reported in 1999 that the school's enrollment had dropped in recent years from a high of 300 to 152, and that 73 of its students were in the voucher program. The headmaster noted,

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1992	Governor Voinovich supports legislation to institute a pilot scholarship program in Cleveland. The School Choice bill dies with no hearings and no votes in the Ohio Legislature.
Summer 1995	The Cleveland Scholarship and Tutoring Program was enacted through the Ohio Legislature. The Cleveland Scholarship and Tutoring Program Office opened in Cleveland.
January 1996	Lottery drawing was held for 1,500 scholarships to be awarded. School Fair and informational session held for scholarship recipients. American Federation of Teachers filed a lawsuit challenging the constitutionality of the Cleveland School Choice plan and asked for an injunction.
July 1996	Franklin County Common Pleas Judge Lisa Sadler ruled that the Cleveland voucher plan did not violate the Ohio or United States Constitution. Opponents appealed.
August 1996	1,994 students enter the school of their choice using scholarships for the '96/'97 academic year.
May 1997	The 10 <sup>th</sup> Ohio District Court of Appeals rules that including religious schools in the voucher program violated both the state and federal constitutions. Voucher proponents appealed. The program was allowed to continue while the case was pending before the Ohio Supreme Court.
August 1997	2,938 students enter the school of their choice using scholarships for the '97/'98 academic year.
August 1998	3,774 students enter the school of their choice using scholarships for the '98/'99 academic year.
May 27, 1999	Ohio Supreme Court rules The Cleveland Scholarship and Tutoring Program unconstitutional due to a procedural flaw in how the program was enacted. The Court states that the Program did NOT violate federal precedent regarding the separation of church and state.
June 29, 1999	The Ohio General Assembly reenacted the Program with recommendations of the Attorney General to ensure it met all state constitutional requirements.
July 20, 1999	The ACLU, PAW, and Teacher Unions file suit against The Cleveland Scholarship and Tutoring Program alleging that the Program violates the separation of church and state.
August 1999	Federal Judge Solomon Oliver, Jr. grants a temporary injunction, shutting down the program pending full hearing. Defendants appeal decision in U.S. Court of Appeals for the Sixth Circuit. Judge Solomon Oliver, Jr. amends his decision to allow only previously enrolled scholarship students to return to school. This decision leaves 817 students who received their scholarship in March of 1999 for the first time shut out of the program. Defendants appeal decision in U.S. Court of Appeals for the Sixth Circuit and later to the U.S. Supreme Court.
Nov. 5, 1999	The U.S. Supreme Court overruled Judge Oliver's injunction & restores scholarship funding to 817 children. After confusion caused by the injunction is settled, 3,406 children had stayed in the Scholarship Program.
Dec. 20, 1999	Judge Oliver rules the Program unconstitutional but then stays his decision; children remain in school and defendants appeal to the Sixth Circuit U.S. Court of Appeals.
August 2000	3,783 students enter the school of their choice using scholarships for the '00/'01 academic year.
Dec. 11, 2001	The three-judge panel of the Sixth Circuit Court of Appeals ruled in a split decision against the School Choice Program. This decision contained language that supports logical legislative remedies to satisfy the court. The state's en banc request seeking a rehearing by the full court was filed.
Feb. 28, 2001	The Sixth Circuit Court of Appeals denied the state's en banc request. In response to the Sixth Circuit Court of Appeals' en banc denial, the state filed for a stay to keep the School Choice Program operating until the U.S. Supreme Court hears the case.
Sept. 2001	The U.S. Supreme Court announces that it will review the case challenging the constitutionality of the Cleveland voucher program. It is expected to issue a ruling by June of 2002.

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Source: Ohio Roundtable and Ohio Freedom Forum Online Library  
[http://www.ohioroundtable.org/library/articles/schoice/scholarship\\_timeline.html](http://www.ohioroundtable.org/library/articles/schoice/scholarship_timeline.html)

Figure 1. The Cleveland Scholarship and Tutoring Program: Timeline of Major Events

**Table 1. Yearly enrollments, appropriations, and disbursement**

YEAR	ENROLLMENT	APPROPRIATION*	DISBURSEMENT
1996–1997	1,994	\$5,000,000	\$4,961,218
1997–1998	2,914	\$7,100,000	\$8,461,961
1998–1999	3,674	\$8,700,000	\$6,903,243
1999–2000	3,406	\$11,217,000	\$6,830,172
2000–2001	3,742	\$13,866,000	\$7,657,386**
2001–2002	4,000 (Approx.)	TBA	TBA

Source: Ohio Department of Education

\*Appropriation amounts are for the fiscal year.

\*\*Disbursements for FY 2001 are as of August 15.

“If we had not accepted voucher students we probably would not be here because of the financial burden on the parents.”<sup>31</sup>

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. National voucher advocates, such as conservative Washington, D.C. lawyer Clint Bolick, director of the Institute for Justice, announced their intention to assist in the program’s defense. Governor Voinovich attacked the union opposition, 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 . . . [are] sending their children to nonpublic schools” (Stephens 1996, January 10).

Plans for the start of the voucher program continued to go forward, despite the uncertainty. As families submitted their list of preferred schools, program administrators struggled to match students with available spaces. The ongoing lawsuit cast doubt that the CSTP would begin as scheduled and made it less likely that new schools would open (or existing schools would expand) to permit the program to grow in the future. One proposed new school faltered before it even got off the drawing board. Meanwhile, Bert Holt, the voucher program administrator, had been rebuffed by neighboring suburban districts when she sought to persuade them to open their schools to voucher students. No suburban public schools chose to accept Cleveland voucher students, both because the voucher amount would not cover per-pupil costs in those schools and because educators and officials in these communities had little desire to import children from inner-city neighborhoods or troubled schools. Explained one observer, “Suburban [school] boards and superintendents do not want to explain to their par-



ents why they've decided to start bringing in black children from crappy schools in the 'hood." As a result, the CPS had little reason to worry about losing students or funding to neighboring districts.

#### HOPE AND PAROCHIAL SCHOOLS

With neighboring school districts declining to participate and with the number of seats in existing private schools limited, a key question for the voucher program was where the voucher students would enroll. As one voucher proponent announced in early 1996, "For the success of this program to occur, we are going to have to create new schools" (Hicks 1996, February 20). 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 limited class size to thirty, provided a teacher's aide in each class, and sought 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 that provided the initial start up funds for the HOPE schools. White Hat supplemented the per-pupil voucher amount with additional funds.

The HOPE academies faced a number of serious obstacles before they could get up and running. The schools had to recruit teachers, buy books and materials, and locate facilities that could supply classroom and office space. Perhaps most daunting, they had to convince prospective parents to send their children to schools without a proven track record.<sup>32</sup> The HOPE schools also had limited financial resources, which crimped their operations. The per-pupil voucher amount was less than a third of the total per-pupil expenditures of CPS, and voucher 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 were almost entirely made up of voucher students who, by definition, were from the poorest families in the city. HOPE officials reported 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, ten percent of HOPE voucher students left during the school year. Moreover, one-third of students turned over from one year to the next. The HOPE schools did not undertake any substantial advertising and instead primarily relied on word of mouth.

Teacher turnover was also high—in part because the salaries at the HOPE schools, though 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 assistant turnover was almost complete. In an attempt to staunch their losses, the HOPE schools announced that their teachers would receive a twenty percent raise in 1999–2000.

The difficulties of the HOPE schools illustrate the problems inherent in building private sector school capacity. 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 . . . to fail.” As a result of the continuing political and legal uncertainty surrounding the voucher program, Brennan closed down the voucher academies after the 1998–1999 school year and reopened them as charter schools in the fall of 1999. This shrank the political constituency supporting vouchers even as it undercut the capacity of the private school system.

#### A ROUGH START FOR VOUCHERS

CPS 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 narrowly avoided a teacher strike when the union postponed its initial strike date, and Mayor White intervened to press the state to reach a settlement. Initially dissatisfied with the deal, which included no scheduled salary increases in the first two years, the union demanded and received substantial pay increases after the November 1996 passage of the huge court-ordered levy.

Union leaders remembered the frustration of the state's negotiator. Recalled one union official, “His philosophy was, ‘Here's the amount of money we want from you in concessions. You can divvy it up any way you want to but you have to give us that’ . . . We looked at him and said, ‘Why do we have to do that?’ His background was in the private sector, where he can threaten, ‘If you don't do this, we're moving the factory to Mexico.’ Well, we knew the school system wasn't moving to Mexico, so we just said, ‘No, we're not doing that.’” CTU influence limited the ability of state or district officials to pursue dramatic changes in school governance, teacher hiring and evaluation, or in other basic practices.<sup>33</sup>

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 participating in the program. On May 8, 1996, Judge Krupansky fur-

ther 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. It was initially unclear what effect this option would have on the number of families that would choose to participate in the voucher program.<sup>34</sup>

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.<sup>35</sup> Two days later, voucher opponents filed an appeal and requested an injunction from the 10<sup>th</sup> District Ohio Court of Appeals. On August 12, the 10<sup>th</sup> 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. The program began that fall with 1,607 students using vouchers, a total that represented roughly two percent of CPS enrollment. However, the actual effect on CPS enrollment was significantly lower than even this figure suggested. Of the 1,607 voucher students, 376 had attended private schools in the previous year, and another 539 were entering kindergarten. Consequently, no more than 692 voucher students actually departed CPS schools.<sup>36</sup>

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 but reflected the reality that the program could be eliminated if its opponents could recapture a legislative majority in Columbus. On May 2, 1997, as the Cleveland voucher program neared the end of its first year, the 10<sup>th</sup> District Ohio Court of Appeals ruled 3–0 that the program was unconstitutional because "it has the primary effect of advancing religion," and noted that about eighty percent of the fifty-three private schools participating in the program were religious in nature.<sup>37</sup> 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 1,265 were used. Combined with the returning voucher students, that yielded a total voucher population of 2,914. By 1998–99, this number had grown to a voucher population of 3,674 students, amounting to roughly five percent of total CPS enrollment. By 1998, thirty-three of the city's thirty-nine Catholic schools were already participating in the program, and many were at or near capacity.<sup>38</sup>

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." The capacity of the Cleveland voucher program to expand significantly thus appeared limited. Private schools participating in the voucher program also reported difficulties in obtaining student records from CPS. Said one private operator, "They just stall, or they forget, or they don't send us records that we have to have. It's just frustrating as hell."

### THE PETRO REPORT

The voucher program came under serious criticism in April 1998 with the release of a critical report by state auditor Jim Petro.<sup>39</sup> The report claimed that the program lacked clear policies in some areas and had failed to verify the eligibility of its participants. The audit revealed that the program's administrative staff of six (of whom three were part-time) had failed to collect sufficient documentation from applicants about their residency and income levels. Specifically, the report noted that nonlocal driver's licenses, birth certificates, county identification cards, and a hunting license had been accepted as verification of residency.<sup>40</sup>

The biggest problems with the launch of CSTP that Petro documented concerned transportation. The legislation establishing the CSTP gave the Cleveland public school district responsibility for providing transportation for the scholarship students to their new schools. However, CPS opted to reimburse families at the end of the year for transportation expenses rather than to provide busing. In a late August meeting, just days before school was to start, the CPS transportation director told Bert Holt that CPS would not be able to transport voucher students. Holt remembered, "They thought they had us. They thought they had killed off this program by seeing to it that students couldn't get to school."<sup>41</sup> In the end, logistical difficulties forced the CSTP to transport students via taxicabs for several months. The total bill for the taxis ultimately came to \$1.4 million for the 1996–97 and 1997–98 school years, and the Ohio House passed a bill requiring the public school system to pay for the additional transportation expenses.<sup>42</sup> Ironically, while it was CPS that was largely to blame for the difficulties, it was the credibility and political prospects of the voucher program that took a blow.

The Petro report also revealed that the lottery drawing for scholarships had been held before the eligibility of applicants had been determined and two weeks before the authorized date, thereby excluding three weeks worth of applications. Ohio education officials responded by indicating that they would step up their scrutiny and guidance of the voucher program, while

critics seized on the report as a reason to eliminate the program altogether. Democratic Senator C. J. Prentiss argued, "This pilot program appears to have been totally mismanaged. People have taken the money and done whatever they want with it without any kind of oversight" (Archer 1999b).

The Petro report led to a 1998 amendment to CSTP that required that CPS provide voucher students with transportation. The results were dramatic. During 1997–98, just 565 (19 percent) of the 2,938 voucher students rode district buses to school, while 1,084 (37 percent) were transported by taxi. After the amendment, in 1998–99, 1,853 (49 percent) of the 3,744 voucher students rode buses, while just 95 (3 percent) rode taxis.<sup>43</sup> Statutes and logistical support can make market choices more or less accessible, affecting transaction and switching costs, and influencing the number of families that may use choice programs. Policy makers and state officials can also take steps to either forestall or make more likely embarrassments that will influence the political prospects of choice-based reforms.

#### THE RETURN OF LOCAL CONTROL

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.<sup>44</sup> On June 30, 1997, Governor 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.<sup>45</sup> 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 up to 3,000 children would be eligible for vouchers in the coming year.

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. The law giving control of the Cleveland schools to the mayor was initially challenged in court by the Cleveland Teacher's Union and the NAACP, but their lawsuit was later dropped. The mayor's control of CPS was slated to run from 1998 through 2002.

Bill 269 also made other significant changes, particularly in dictating that central administrators served at will and that building principals did not have to possess the traditional administrative certification. These changes held out the possibility that system governors could enjoy substantially more authority in running the system. The new superintendent seized

upon these changes to push revisions to the accountability system, to modify the systemic push for decentralization, and to launch a major literacy effort in anticipation of a requirement that fourth graders would have to meet by 2002. The size, scope, and tumult of these changes also, however, pushed the pilot voucher program into a position of tertiary significance.

Byrd-Bennett enjoyed some modest success in reshaping the central administration under the House Bill 269 provisions that allowed her to terminate central office administrators and to use assessment as a new accountability instrument. But these 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 school district's 1998 report 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. Most significant among these efforts was Byrd-Bennett's effort to focus the system on accountability and measurable performance, largely to comply with the state's new high-stakes accountability regime. One outside observer said, "Forget about vouchers and charters. It's testing that's driving everything. That's why we're seeing the changes that the superintendent is pushing. . . . The state teacher conference was even moved from March to April so that teachers wouldn't have to miss school until testing was over. That's what everybody is focused on." A number of other interviewees, both inside and outside CPS, agreed with this view of the situation.

#### LITTLE EVIDENT ACTIVITY

In 1998–99, voucher enrollment grew to 3,674 students. The students were enrolled in fifty-nine participating private schools, of which more than eighty percent were religious. While the enrollment total represented about five percent of CPS enrollment, respondents demonstrated a fascinating tendency to qualify that figure as "only [or "just"] five percent." In terms of the actual percentage of children enrolled, the CPS program was sizable, but it was perceived as insignificant by key system actors and that perception dictated the nature of the CPS and community response.<sup>46</sup> A couple of key factors contributed to the sense that the program was small. One was the significant number of voucher students who were already in private schools when they received vouchers, and another was the limited capacity and slow growth of local voucher and charter schools.<sup>47</sup> Of the 3,761 students who received vouchers during the 1999–2000 school year, ninety-six percent attended religious (primarily Catholic) schools. The number of

voucher students enrolled in a given school during 1998–99 varied from one to 174, with the average participating school enrolling 50 to 100 voucher students.

In addition, Cleveland was the site of relatively little charter activity during 1995–2001, which further limited the visibility and potential competitive impact of choice reforms. Ohio did not pass its first charter school law until 1997. During 1998–99, there were just 2,543 students enrolled in 48 small charter schools throughout the state of Ohio.<sup>48</sup> By 2001, the number of Ohio charter schools had increased to 68 (15 of which are located in Cleveland), while the number of charter students statewide had grown to 18,081. While the effects of charter schooling are likely to evolve, as operators take advantage of the state’s relatively “strong” charter law to open new charter schools and enrollment expands, little such activity was evident in Cleveland as of the summer of 2001.

Interviews conducted in 1998 and 1999 uniformly suggested that neither CPS educators nor non-CPS observers regarded the voucher program as a serious competitive 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.<sup>49</sup> However, starting in January 1999, just months after the arrival of Byrd-Bennett, the district did launch a public relations periodical titled *BEST News: Building Excellence and Success Together*.

The one CPS action that several observers attributed to the voucher program was CPS’s decision to advertise its all-day kindergarten on city buses when the program was restarted in 1997. Recall, this was roughly when the district learned that nearly 600 voucher students were children about to enter kindergarten. The district funded the ads, first with money from the court-ordered levy and later with state aid. However, the formal record shows little evidence of a direct link between the voucher enrollment and the advertising campaign, and observer opinion was mixed on whether the campaign was a competitive response or merely due to the additional resources from the levy.<sup>50</sup>

However, a CTU official who urged a more proactive district response reports that district officials were generally unresponsive. The official said, “When we asked [system officials] to start advertising, to get out there, they just nodded and then did nothing.” Observers variously term system officials “bureaucratically narrow” and lacking in a “sense of self-promotion.” Explained one veteran teacher, “The administration doesn’t know how to handle teacher initiative or leadership . . . there’s an inability to see the value of someone who . . . has a transformative view of educational change and is aggressive or opinionated. [The administrators] are kind of inept, and they’re focused on ‘safety first’, and they don’t know what to do with teachers who are trying to make things happen.”

*The Response of the Teachers*

To the degree that teachers have responded at all to choice reforms, they have complained about the voucher program as a political menace and expressed anger that money is being redirected from the public schools. Unlike their counterparts in other cities with voucher programs (such as Milwaukee), local voucher advocates did not even try very hard to claim that the existence of school choice had produced noticeable change. 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."

An official at the independent Cleveland Initiative for Education spoke for many observers when she observed, "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 is not high on their radar screen."

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 twelve percent or more in a system with 4,100 teachers. Unable to find enough certified teachers by the start of the 1998–99 school year, CPS had to fill about one hundred slots with provisional teachers. This shortage meant 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 reforms to teachers. CPS was also constrained by a lack of talented or entrepreneurial principals. About a half-dozen high-level CPS, CTU, and community observers estimated that only about 15 to 25 (roughly 20 percent) of the 118 CPS principals were autonomous or skilled enough to respond aggressively to the decentralization of school management.

Amidst the ongoing commotion surrounding the CPS, school-level personnel evinced little real concern for or understanding of the voucher program. Teachers and principals were too preoccupied with their daily challenges, state testing, leadership turnover, and disciplinary problems to pay more than fleeting attention to choice-based reforms. As one observer noted, "As far as the impact of vouchers . . . 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, [three superintendents] have been in charge. . . . 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 evalu-



ation instrument?’ as a principal to ‘Who do I call to get this purchase order through?’ The idea that there’s competition from HOPE [schools] or the parochial schools has really not influenced them very much—it has not really been on the radar screen.”<sup>51</sup>

#### NO ONE LEADING THE CHARGE

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. While CPS was “losing” students to CSTP, system enrollment continued to grow, system funding was essentially unaffected, a significant number of voucher students had already been enrolled in private schools, and the system faced ongoing problems with facilities and overcrowding in a number of schools. In fact, in spring 1999, CTU officials expressed more concern about prospective legislative battles over curricular reforms and class size than about efforts to reauthorize the voucher program. Explained one union official, “Right now class size, especially [for grades] K–3 is at the top of our state agenda. We’re also concerned . . . about proficiency test scores, but the bigger concern is class size.” Among six state and local union officials interviewed in 1998 and 1999, just one cited vouchers as one of their top two concerns.

A weak CPS school board, meanwhile, was not inclined or capable of encouraging the system to respond to competition. The CPS board’s appointed status and the loss of local control in the mid-1990s produced a sedate board on which members apparently felt little need to assuage the concerns of constituents or demand that CPS take visible actions. The CTU’s head of school board liaison observed in 1998, “The appointed board doesn’t really have a lot of power. The difference before was that the school board members were elected by the people . . . [who] could hold them accountable. Now . . . it’s like, why should they worry? . . . Our executive members have the hardest time just getting the board members to call them back. If this was an elected board member, they’d be on that phone in a minute because they want to win their election.”<sup>52</sup>

The Cleveland union leadership responded to the voucher program not by pushing for educational reforms but 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 and 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, “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 lack of concern over vouchers was even more evident at the school level. 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 twenty-two percent of students per year—and because neither the school nor CPS collected any information on why students left.

### CONFUSION REIGNS

Due to the swirl of developments in and around the CPS during the period, the voucher program received little attention in Cleveland. The primary education reporter at Cleveland's major daily newspaper observed during 1998–99 that *The Plain Dealer*, as well as other Cleveland media, had "not devoted much coverage" to the issue. In addition, despite the efforts of the voucher program office to build community awareness of the program, observers were of the impression that a very large percentage of public school parents remained unaware of the program's existence.<sup>53</sup>

High-profile disagreements regarding program outcomes confused parents and politicians, emboldened critics, and raised questions about the program's long-term political prospects. A team at Indiana University's Center for Evaluation found mixed results on the performance of voucher students. Meanwhile, a team of Harvard University researchers, led by Paul Peterson, found that voucher students had outperformed their CPS peers.<sup>54</sup> 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. . . . That kind of charged atmosphere doesn't exist when you are discussing going to a year round school as opposed to a nine month school or something else that you can maybe more rationally sit down and research and discuss. . . . Our coverage is dependent on research, good clear research, but I can sit down and write a story on vouchers today and I can present both sides to you and you're not going to learn anything [because the research results are unclear]. The conflicting research is a handicap in trying to tell this story to parents and to taxpayers."<sup>55</sup>

Doubts about the CSTP's success interacted with its murky political and legal status to foster doubts about the value of the voucher schools and about the larger long-term viability of the voucher program. 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. A roof collapse at East High School in October 2000 generated public support for the passage of a long-stymied ballot initiative on school funding in May of 2001. When matching state funds were included, the CPS was infused with approximately \$1 billion in additional funds for school construction, which further mitigated any financial hit which might have been attributed to the loss of students to the voucher program.

#### CONCLUSION: A COMPETITIVE ENVIRONMENT

Continuing political and legal ambiguity about the voucher program also dampened the willingness of parochial schools or independent operators such as David Brennan to expand their capacity or open new schools. And the limited capacity of private schools in Cleveland further curtailed the program's potential threat to CPS. Officials at several private schools made it clear that they were hesitant to participate in the voucher program, citing concerns about the academic preparation of CPS students, potential discipline problems, the effect that voucher students might have on their schools' identity, and the fact that the dollar amount of the vouchers would not cover per-pupil costs.<sup>56</sup> The private—mostly parochial—schools that did accept voucher students were either unwilling or unable to significantly expand available seating.<sup>57</sup> Moreover, many of the private schools were housed in older buildings and had classrooms or facilities that could not physically accommodate more students.

As noted above, Brennan closed the HOPE Central and HOPE Tremont Academies in 1999, reopening them as charter schools that do not accept voucher students. Brennan flatly explained 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," explained a HOPE executive.<sup>58</sup> The loss of the HOPE schools created a

serious capacity problem for the voucher program by fall 1999 and illustrated the important consequences that program design can have on the impact of choice reforms.

The new head of the CSTP, Sandra Berry (who took over in July of 1999), explained that it was unable to place “a lot” of the new voucher students, given a lack of open seats in the participating private schools. As a result, by 1999 the voucher program was unable to spend its appropriation from the state legislature; in fiscal year 2000, the program disbursed only \$6,830,172 of the \$11,217,000 appropriated. The capacity problem was exacerbated when three other participating private schools were expelled from the program during the 1999–2000 school year due to poor performance, unsafe buildings, or both.<sup>59</sup> Despite predictions that the capacity of the voucher program would expand to meet demand, in the 2000–2001 school year the total number of participating schools was fifty—five less than when the program began in 1995–96. In short, vouchers promise to continue exerting only the faintest of competitive pressure on the CPS, even as the potential threat of charter schooling could begin to take shape.

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 ultimately passed 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 a great deal of 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.<sup>60</sup> The publicity spurred the state to undertake immediate inspections and to try to remove three of the schools from the voucher program.<sup>61</sup> Such events, along with the public opposition of both of the candidates who survived the city’s mayoral primary in the fall of 2001, continued to cast doubt on the political sustainability of the voucher program, undermining the threat it posed to CPS.

Meanwhile, the program continued to struggle with legal challenges. On May 27, 1999, the Ohio Supreme Court upheld the program’s constitutionality on church-state grounds but struck it down on the basis of having been improperly authorized in 1995 by a rider attached to an omnibus appropriations bill in violation of Ohio constitutional strictures.<sup>62</sup> Subsequent court cases first permitted the voucher program to continue, and then held it unconstitutional. An adverse federal appeals court ruling in December 2000 finally left the program’s fate in the hands of the U.S.

Supreme Court, which agreed in September of 2001 to hear the case.<sup>63</sup> The U.S. Supreme Court plans to hear oral arguments in the case in the fall or winter and is expected to issue its decision in June of 2002. The eagerly anticipated ruling will determine the constitutionality of using publicly funded vouchers to pay tuition at private religious schools, as is done in Cleveland. Observers in Cleveland have indicated that discussions about the future of the voucher program are essentially on hold until the ruling is issued.

Just as the future of the Cleveland voucher program remains uncertain, so too does the prospect for the program to exert a competitive effect on the CPS. For competition to spur school improvement the market must either overwhelm the resistance in public schools or a viable threat must inspire educators and school administrators to undertake an anticipatory response. In Cleveland, however, the small size, early difficulties, and bleak political and legal prospects of CSTP, as well as the sparse capacity of the private school system, sharply limited the threat the program posed to CPS during 1995–2001. Charter schools in Cleveland offer an interesting contrast because they are not subject to many of the constraints that faced the voucher schools—they have greater per-pupil funding and encounter less political and legal opposition. As a result, as has been the case elsewhere, rapid charter growth could ultimately exert more substantial competitive pressure on the CPS than vouchers, though such pressure was not visible by 2001.

The Cleveland public school system has undergone a number of dramatic changes since the mid-1990s, but there is little evidence to link these changes to choice-induced competition. Potential competitive effects in Cleveland were overshadowed by the state takeover, frequent changeover in CPS 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.

The private schools that accepted voucher students in Cleveland also operated under a number of constraints that limited their ability to compete effectively.<sup>64</sup> The relatively small amount of the vouchers and the limited resources available to launch and support new voucher schools limited their attractiveness as an alternative to public schools. Participating parochial schools generally accepted a limited number of voucher students and made little effort to expand. The number of private schools participating in CSTP actually decreased over the program's first five years, increasing slightly from fifty-five schools during the 1996–1997 school year, to fifty-nine early in 1998–1999, and then declining to fifty schools in 2000–2001. Meanwhile, voucher supporters argued that the Ohio Department of

Education tried to drown the CSTP in red tape and bureaucracy. Said Bert Holt, "It was the worst mistake to put this program under the DOE. They didn't own it or want it. They threw bureaucracy at you, laying traps all the time. I was thwarted at every juncture."

Public school administrators and union officials in Cleveland were aware that political opposition and limited private school capacity made vouchers 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 when one recognizes that CPS enrollment was steadily increasing during the 1995–2001 period, there was little incentive for CPS to mount an anticipatory response. One union official recalled that he had attempted to spur CPS administrators to launch an outreach and advertising effort in response to the HOPE schools and found that, "They just didn't want to bother, they didn't think it was necessary." To the degree that the CPS administrators did recognize the loss of voucher students, they were not necessarily opposed to the departure of a small number of the most difficult students, discontented families, or both.

In its first five years then, the voucher program in Cleveland does not appear to have exerted competitive pressure on the public school system. The central lesson of Cleveland's initial experience with choice reforms, however, is not that competition cannot cause urban school systems to change. It is that the timing and degree of such changes will depend in large part on the particular educational, political, and organizational context. In one of the often overlooked ironies of the choice debate, the potential market impact of educational competition on schools is likely to be particularly sensitive to issues of governance and to political decisions, including the actions of the state legislature, the local board of education, the mayor, and the courts.

### *Notes*

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

2 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, Peterson, and Du 1999; Rouse 1998; Witte 1998).

3 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 D.C.

4 See Hess (2001a) for a more comprehensive discussion of the theory behind the competition hypothesis.

5 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.

6 Additional research has emphasized the importance of consumer behavior to system responses to choice reforms. Smith and Meier (1995) and Wrinkle et al. (1999) for example, have 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.

7 For useful discussions of this point, see Hess (2001b), Elmore (1996), or Fullan (1991).

8 Bryk, Kerbow, and Rollow (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.

9 For these figures, and a wealth of additional information on the financial state of the Cleveland Public Schools, see the *Comprehensive Annual Financial Report* by the Cleveland City School District (2000).

10 For growth projections, see *Best News* (1999: 9).

11 For instance, elementary enrollment in the Cleveland diocese, which served the greater Cleveland area and schooled most Cleveland students not in CPS, plummeted from nearly 110,000 in 1960 to just over 50,000 in 1990 (McLellan 2000: 25).

12 See CPS District Annual Report (1998: vii).

13 See the *Comprehensive Annual Financial Report* by the Cleveland City School District (1998: S15).

14 See Jefferson (1991) for a careful discussion of the history of black migration to Cleveland, the evolution of the city’s race relations, and the CPS desegregation battles. For a concise overview of the desegregation fight, see *CPS Spectrum* (1992).

15 For a good contemporaneous account of CPS desegregation in the early 1990s, see Theiss (1993).

16 See Butler (1997) for a full account of the challenges that beset the CPS board and administration. She does a very effective job of depicting the bureaucratic rigidity that characterized the system during the 1980s and early 1990s.

17 See Butler (1997: 126–142) for discussion, including reflections of former board members.

18 See *Best News* (1999: 8) for these statistics. The five required tests covered writing, reading, math, citizenship, and science. A sixth test, for science, was added for 2000–2001.

19 See Buckeye Institute (1998) for a highly critical look at CPS.

20 In her account of the affair, Butler (1997: 140) observed, “Parrish’s resignation in February stunned the district and the community. An attempt was made to keep the district running in spite of the loss but all concerned began to sense that disaster was looming.”

21 For information on the levy fights, see Jones (1995, March 1; 1995, April 1) and Jones and Stephens (1994, Nov 9; 1995, March 3).

22 See *Critique* (1995) for more details on these actions.

23 Byrd-Bennett came in with strong mayoral support and a pledge to “step up the pace and increase the pressure” for school improvement (*BEST News* 1999: 1).

24 Democratic Rep. Ronald Gerberry’s bid to strip the voucher program from the state budget was rejected by the Assembly on a 41–57 vote. On April 6, the Assembly then passed the budget, with the voucher program, on a 59–39 vote. See Suddes and Marrison (1995) for a colorful account of the House action.

25 The exact value of the voucher varied with family income. Students from families with income below 200 percent of the poverty line received vouchers worth up to 90 percent of their school’s tuition, up to \$2,250. Students from families whose incomes were equal to or

higher than 200 percent of the poverty line were eligible for vouchers worth \$1,875 or 75% of their school's tuition, whichever was less. See Greene, Howell, and Peterson (1998: 359–360) for a good discussion of these cost figures and the mechanics of voucher distribution.

26 See the *Comprehensive Annual Financial Report* by the Cleveland City School District (1998: S15).

27 A brief but useful discussion of the constraints on the voucher program is provided by Greene et al. (1998a: 358–360). This piece carefully discusses the early evidence on why families chose to participate in the Cleveland program, their satisfaction with voucher schools, and the performance of voucher students.

28 See Rees (2000: 130).

29 "Cleveland Scholarship and Tutoring Program, Management Study Final Report," KMPG, as cited at [www.schoolchoiceinfo.org/what/cleve\\_cost.jsp](http://www.schoolchoiceinfo.org/what/cleve_cost.jsp)

30 These details were supplemented by an account that Holt provided in a 1999 memo.

31 The headmaster indicated that budget limitations prevented the school from doing much advertising, but that the school did announce in the local newspaper that they would be accepting voucher students. She reported that most applicants learn about the school through word of mouth or from the scholarship office, stating, "We do not go out and solicit students." Tuition at Blessed Sacrament, in 1998–99, ran from \$1,625 to \$1,925 a year. This was several hundred dollars less than the maximum allowed under the voucher program. However, the school did not seek to raise tuition, because doing so would have required it to do so for both voucher and non-voucher students.

32 The limited resources of the HOPE schools were perhaps most visible in the physical plants of these schools. HOPE Central Academy, for example, was located in a run-down portion of central Cleveland, in an ancient Catholic school building. Inside, the school shared space with a Head Start program. The gym is downstairs in a room that the church uses Tuesday nights for bingo, and which still reeked of smoke on Wednesday afternoon. The school employed thirteen teachers and thirteen assistants and had a 1998–99 budget that was slightly less than \$1 million, with about eighty percent of its revenue generated by tuition.

33 As one CPS board member remarked, "Every significant reform idea we tried to put forward was killed by the union."

34 See Hicks (1996, May 20) for discussion.

35 See Stephens (1996, June 25) for details. See Viteritti (1999: 174–176) or Rees (2000: 130–132) for good, brief overviews of the legal fight over the Ohio voucher law.

36 For details and these figures, see Stephens (1999, August 29). Note that reported figures on enrollment in the voucher program are not always in complete agreement.

37 See Lane and Hallett (1997) for an account of the ruling.

38 See Cohen (1998).

39 The full report (Petro 1998) makes fascinating reading. It exemplifies the kinds of logistical difficulties that can dramatically undercut participation in choice-based programs and the kinds of visible abuses that threaten to undermine political support. Both outcomes can reduce the competitive threat programs pose, by reducing consumer participation and by making the long-term viability of programs more suspect.

40 For instance, although the voucher program was intended to serve low-income families, at least twenty-three children whose families made more than \$50,000 a year had received vouchers. The program had also failed to establish any policy for verifying the guardianship status of parents and twenty-nine percent of the 1997 fiscal year students and thirty-eight percent of the 1998 students tested did not have the same last name as the individual who signed the application as the parent/legal guardian.

41 See Buckeye Institute (1998a: 20).

42 The taxicab companies that were used to transport voucher students had consistently and egregiously overbilled the school district. Of the approximately \$1,400,000 billed



in taxi charges during fiscal 1997, almost ten percent (\$140,000) were determined to be fraudulent. Of the \$2,100,000 charged in fiscal 1998, approximately \$280,000 in overbilling was found.

43 See Blum Center (1998).

44 For a good account of the decision, see Hendrie (1998).

45 See Schnailberg (1997).

46 Even Bert Holt, the director of CSTP, conceded in a 1999 memo that, "application returns might appear low for 1999–2000 school year" (Holt 1999: 2). The reasons are unsurprising. Holt cited transportation difficulties, the decreased availability of seats, the hesitation of schools to change "the composition of their school community", and increased CPS efforts to "appeal to maintain parent/guardian loyalty."

47 For instance, union officials generally appeared to be the most sensitive to vouchers and most likely to exaggerate their significance. However, one CTU official casually dismissed the dangers of the Cleveland voucher program, arguing that, "Most of our kids in the voucher schools were already in private schools before this program came. They're not really taking kids away from [CPS]."

48 See Rees (2000: 129).

49 A vignette illustrates the tepidness of the CPS response to competition. In the CPS administrative building, the public affairs office was located on the second floor. In the spring of 1998, three years after the voucher program was enacted, access to this office required that the building's solitary security guard manually call up to the office and receive permission to admit a visitor. On the second floor, CPS public relations were laid out on a cheap table along one wall in a dusty room. Downstairs, as of May 1998, the "school selection" office was informing visitors that neither materials on the system's magnet schools nor school selection forms were yet available for the coming September.

50 For instance, one district official said the ads were just "an effort to tell parents about the program" and a community leader said "I don't think anyone would tell you there was a connection between vouchers and the signs on the buses."

51 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."

52 A leader of a local, unaffiliated school reform group, agreed, saying that a key difference between 1998 and early 1990s was that the elected board felt it had to respond to constituent demands while the appointed board did not.

53 For instance, as late as 1999, a Public Agenda study of parents in Cleveland and Milwaukee found that sixty 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, November 17).

54 The Peterson team (Greene et al. 1997, 1998a) found high rates of parental satisfaction and calculated that voucher students were significantly outperforming otherwise similar public students on a number of dimensions. Metcalf, Boone, et al. (1998), Metcalf, Muller, et al. (1998), and Metcalf (1999) found that voucher students were demographically similar to their public school peers but found mixed results when comparing the performance of voucher students with their public peers. Meanwhile, a study by the Ohio Department of Education (1997) attacked Greene et al. (1997), questioning the validity of their test score analysis that showed voucher students outperforming their public peers. Again, for our purposes, the technical accuracy or a given report is not particularly relevant. Instead, the important fact is that the array of reports and critiques muddied the water regarding the collective performance of voucher schools relative to that of CPS.

55 Paul E. Peterson (1999: 14) would eventually observe, "In the end, firm conclusions cannot be drawn from the studies of the scholarship program in Cleveland."

56 Related problems also discouraged schools from participating in the program. In December 1999, the state was approximately \$860,000 delinquent in tuition payments to voucher schools. Such logistical difficulties led some schools, including Marotta Montessori, to close some campuses (Vosburgh 1999).

57 By the 2001–2002 school year, thirty-one of the city’s thirty-four Catholic schools were already participating in the program and they enrolled 3,586 voucher students (or eighty-three percent of the total voucher student population). The Cleveland Catholic schools that participated in the voucher program enrolled a total of 8,437 students, with an average of forty-seven percent voucher student enrollment per school, and many were at or near capacity.

58 In an attempt to entice more private schools to join the program, voucher supporters introduced a bill in the Ohio General Assembly in 2001 that would double the voucher payments to \$4,814—the amount which the state guarantees public schools for their students (Candisky 2001).

59 One expelled school, the Golden Christian Academy, received a great deal of media attention (and condemnation) for its reliance on instructional videotapes instead of classroom teachers (Stephens 2001).

60 Similar problems were highlighted in voucher and charter schools throughout Ohio in a series of articles by Dennis J. Willard and Doug Oplinger which appeared in the *Akron Beacon Journal* in December 1999.

61 See Vosburgh and Stephens (1999).

62 Judge Paul Pfeifer created further confusion about the constitutionality of program expansion 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 and Theiss 1999).

63 See Clowes (2001) for a discussion of the December ruling and a good overview of the related decisions.

64 Indeed, these constraints were added to the CSTP authorizing legislation by voucher opponents to explicitly limit any threat to the public school system.

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