On the list of school choice measures, which includes tuition tax credits, charter schools, and both inter- and intra-district choice, the use of publicly funded tuition vouchers remains the most controversial. In November 2000, California voters will decide whether the state should fund such a program for its K-12 students. Under Proposition 38, put on the ballot through California's voter initiative process, the state would provide $4,000 in tuition support for any public school student, including incoming kindergartners, who chose, instead, to attend a private school, whether religious or nonsectarian. The program would start in 2001-02, with vouchers for currently enrolled private school students phased in over a four-year period.

Voucher advocates across the country argue that families should have more choice in determining how their children are educated. Because private schools vary in type, size, purpose, philosophy, affiliation, and instructional methods, proponents suggest that giving more families the financial wherewithal for their children to attend private schools is a logical method of extending school choice. But the degree to which voucher programs actually improve access to private schools depends considerably on the structure of the program.

This report does not attempt to analyze the voucher issue from a political, philosophical, or constitutional perspective. Nor does it look at the potential impact of vouchers on public school systems. Rather, it focuses on the question of accessibility, specifically as it relates to this particular voucher proposal and the California private school context: How would the voucher program proposed under Proposition 38 likely affect students' access to private schools?

To answer this question, WestEd surveyed private schools, reviewed the relevant literature, and interviewed experts in California and across the nation. This report considers the current and projected enrollment capacity, tuition and other costs, and admissions practices of California's private schools — all factors that affect access.

Private School Capacity

The success of any voucher program that intends to expand choice depends in large part on the capacity of the private school system to accommodate additional students. In an area where private schools were under-enrolled, a voucher could give a student access to a private school that might otherwise be unaffordable to his or her family. Yet, if local private schools were filled to capacity, or nearly so, vouchers would do little to improve access unless existing schools chose to expand or new schools were created.
Current Enrollment and Capacity

In California, as well as across the nation, approximately 10 percent of all K-12 students now attend private schools. Both that percentage and the number of private schools in California have remained relatively constant for at least five years. Roughly 40 percent of the state’s private school students attend Catholic schools; another 40 percent attend schools of other religious denominations; and the remaining 20 percent are enrolled in nonsectarian schools.

Private schools and the numbers of students attending them are not evenly distributed throughout the state. Compared to rural counties, California’s urban and suburban areas have far more private schools and significantly larger percentages of students enrolled in private schools.

But many of California’s private schools are already full, or nearly so. As of late Summer 2000, almost a quarter of the state’s private schools identified themselves as operating at 100 percent capacity and nearly 60 percent report being 90–100 percent full. Religious schools (Catholic and others) report less available space than nonreligious schools. Most independent schools report receiving large numbers of applications and, in the last decade, the same has become true of more and more Catholic schools. Leonard DeFiore, President of the National Catholic Education Association, observes that, “With or without vouchers, the problem for us now is not demand. It’s supply.”

Given current private school capacity, California’s voucher-bearing students who do not already attend a private school would face the prospect of increased competition for already limited seats, a projection borne out by the fact that 70 percent of California private schools already maintain waiting lists. In the 1997–98 school year, for example, Santa Clara County’s six parochial high schools received approximately three times as many applications as the number of spaces available.

Proposition 38 and Future Capacity

Assuming all existing private schools chose to accept vouchers, current space limits would still impede the acceptance of many additional students. Estimates indicate that only 33,000 unfilled spaces now exist in all California private schools — enough to accommodate less than 1 percent of current public school students. In WestEd’s private school survey, 77 percent cited space as the main inhibitor to growth. Given this limited capacity, the question is whether Proposition 38’s $4,000 vouchers would provide adequate incentive for the private school system to add capacity, either by expanding the number of seats in existing schools or by creating new schools. It’s worth noting that the proposed voucher system would not provide any capital funds for the expansion or creation of schools.

Expansion: Practical and Philosophic Considerations. Any fully enrolled school interested in accepting additional students under the voucher system would need to assess its potential for expansion. An analysis of key factors — such as space availability, class sizes, teaching staff, and administrative capacity — would yield prospective capital and operations costs. Expansion usually requires adding space. Whether that means remodeling, buying land and building, or buying or renting additional space, in most parts of California, skyrocketing land and construction costs make expansion an expensive proposition. If schools needed to add staff as well, operational costs would rise. Despite any demand created by Proposition 38, many schools could find the costs of expansion prohibitive, even when potentially offset by an influx of $4,000 vouchers.

Even if expansion seemed feasible from a practical standpoint, some schools are philosophically opposed to increasing their enrollment size. Next to space limitations, “school philosophy” was cited by respondents to WestEd’s private school survey as the second most common reason for limited capacity. Private schools that see value in offering a small-community atmosphere might well
reject the idea of expansion even if they could keep class size low by building new facilities and hiring additional faculty. Robert Teegarden, Associate Director for Education with the California Catholic Conference, argues that such tragedies as the events at Columbine and Jonesboro raise important questions about institutional size. He believes Catholic elementary schools should enroll no more than 600 students and Catholic high schools no more than 1000.

Creating New Schools. Another mechanism for increasing private school capacity is the formation of new schools. Yet despite an anticipated increase in demand if Proposition 38 passed, the public cannot assume that the creation of numerous new schools would automatically follow. Starting a new school is neither quick nor easy. Among other things, the process requires creating a governance structure, raising start-up funds, obtaining building or use permits, and, often, constructing or remodeling a building, marketing the program, and training new staff.

The greatest barrier to creating new schools is financial. As noted earlier, extremely high land and construction costs in many parts of California have driven up the price of building, buying, or renting facilities. Scarcity of usable real estate is so great that in some urban and suburban areas, simply finding a potential facility would pose a major challenge. While land prices are generally cheaper in more rural areas, transportation costs are typically higher. (If absorbed by the school, transportation costs could mean increased tuition. If absorbed by parents, they could serve as a disincentive for enrollment.) In addition to staffing costs, new schools must also acquire books, computers, and laboratory equipment, as well as be prepared to pay such overhead costs as administration, janitorial and food services, and retirement and health benefits for teachers and other staff. The total expense makes starting a new school financially challenging.

Even when a building is available, starting and operating a new school costs significantly more than a school could expect to recoup from $4,000 vouchers alone. Even three years ago, experts estimated that at minimum, the per-pupil cost of starting a financially viable new school in the private sector would run from $5,200–$5,800, including costs of buying land and construction. (In some instances, the cost of acquiring and retrofitting an existing building can be equally high.) In high-cost areas such as San Francisco or Orange County, per-pupil costs would run closer to $10,000.15

Given these considerations, would new schools likely emerge under Proposition 38? Perhaps, but the costs of starting and running a new school seem to indicate that the majority of any new schools would likely be accessible only to families with relatively higher levels of discretionary income. According to University of California, Berkeley law professor Stephen Sugarman, who has been studying school choice issues for 30 years, if adequate numbers of middle- and upper-income parents in a particular area were interested in enrolling their children in a private school for the first time, the creation of new private schools could be financially feasible. The reason: many families in these income groups could afford to significantly supplement the publicly-funded $4,000 voucher with personal funds. In such communities, operators could establish relatively high tuition and still be able to attract students.

Much less likely is the emergence of new schools accessible to lower-income families. It is possible that a small number of inner-city Catholic schools that have closed in recent years could reopen, with parish funds supplementing the $4,000 vouchers. Additionally, Sugarman says, some committed parents or educators might attempt to run low-cost “storefront” schools, just as some churches might operate schools from their basements for a year or two. These schools would offer an alternative to the neighborhood public school, although their physical plants would probably not compare well with either public schools or higher-tuition private schools available largely to the more affluent. Similarly, such schools would most likely lack many of the features one typically associates with the schooling experience, such as playgrounds or athletic fields, science
laboratories, cafeterias, gymnasiums, or auditoriums. In other words, irrespective of their programs, these schools would operate with second-class facilities.

Implications for Capacity

Given practical and philosophic considerations of enlarging existing schools, it seems unlikely that $4,000 vouchers would fuel any extensive expansion. As for the creation of new schools, no precise prediction can be made about numbers. However, when considering start-up and operational costs for a new school as compared to the value of the vouchers, it seems improbable that, in normal circumstances, parents, educators, or entrepreneurs would be able to open a new facility without charging substantially more than the voucher amount. In certain instances, new schools could be established with tuition at or near the $4,000 amount. However, this would likely occur only if capital and other costs were underwritten by a corporation, a philanthropist, or a religious organization, or if a dedicated group of parents, teachers, or others decided to open a school in budget-rate facilities.

In summary, any considerable increase in capacity — and, therefore, access — would be restricted to the more affluent. For low-income parents, in particular, Proposition 38 is unlikely to expand school choice significantly.

This conclusion regarding access to private schools by low-income families is supported by the experiences of Cleveland and Milwaukee, where vouchers have, in fact, been targeted to low-income families. In Cleveland’s voucher program, parochial schools quickly filled to capacity; they were then unwilling or unable to significantly expand the number of seats to accommodate additional voucher students. Other private schools declined to participate in the program at all, citing as a major deterrent the small size of the voucher, which — like the proposed voucher amount in California — was far less than public per-pupil costs.16

Two new Cleveland schools (the HOPE schools) were opened specifically to serve only voucher students. But the schools were subsequently closed by their operator and reopened as charter schools because of the much larger per-pupil subsidies available for charter schools. According to the director of the HOPE schools, David Brennan, the voucher system was “totally inadequate” for covering school costs.17

In Milwaukee, once religious schools were allowed to participate in the voucher program, Catholic schools quickly filled to capacity. Because of the larger size of the Milwaukee voucher (which grew from $2,446 in 1990–91 to over $5,000 in 1999–2000), a handful of new private schools did open, and a few existing schools have expanded. But, overall, capacity there remains limited.18

Private School Tuition and Additional Costs

School capacity is but one factor affecting student access to private schools under a voucher system. The cost of tuition is another major factor, as are other costs to students and their families.

Current Tuition

Private K-12 tuition costs vary considerably according to the grade levels served (elementary versus high school) and the type of school (religious versus independent).19 At a majority of California religious schools, a $4,000 voucher would cover tuition costs. By contrast, at most nonreligious schools, the voucher amount would fall short of covering tuition costs. While 65 percent of religious schools in WestEd’s sample reported tuition of $4,000 or less, 85 percent of nonreligious schools reported tuition higher than $4,000.

Statewide, elementary schools generally cost less than high schools. In WestEd’s sample, 63 percent of elementary schools reported tuition of $4,000 or less, while 57 percent of high schools reported tuition in
that same range. The average or mean tuition for private elementary schools is $4,568, with half the schools above $3,350 and half below. For private high schools, the average tuition is $4,773, with a median tuition of $3,660. These figures reflect a statewide average; in some parts of the state, many religious school tuitions significantly exceed the $4,000 value of the voucher. Tuition at some San Francisco Catholic high schools, for example, is above $7,000.

Tuition is not the only cost for most private school families. Most schools in WestEd’s sample report additional required costs, most commonly, textbooks (51 percent), sports activity fees (46 percent), and transportation (22 percent). Depending on locale, in fact, the cost of transportation can be the largest private school cost other than tuition. According to the 1993 Southwest Regional Laboratory survey of California private schools, the overwhelming majority of private school students arrive at school by family car, with a substantial number of the remaining students walking to school. Relatively few private schools actually provide transportation. Families that do not live within walking distance and for whom public transit is not feasible, either because of distance or a child’s young age, would have to drive their child to school or find alternative transportation.

The higher tuition of most independent schools and many religious schools would likely keep them out of reach for many middle- and low-income families. At these schools, the $4,000 voucher would more likely serve as a subsidy for children already enrolled, rather than as an incentive for new students.

Proposition 38 and Future Tuition

For schools whose current tuition is under $4,000, vouchers could serve as an incentive to raise their tuition, especially if the schools were seeing demand rise. Even schools already charging more than $4,000 might increase tuition on the theory that their families could now afford to pay more.

Irrespective of any voucher-driven increases, tuitions will most certainly rise in the next several years, if historical trends are an indication. By 2001-02, the first year in which vouchers would be available, tuition at private schools will most likely have increased significantly. According to a report by the National Association for Independent Schools, independent school tuition has risen roughly 80 percent in the last 10 years.21

Despite parish support, tuition at Catholic schools has also been steadily rising. Nationally, Catholic elementary and middle schools, for example, experienced a 19 percent tuition increase between 1997 and 1999. This tuition increase was even greater than the 15 percent rise reported between 1995 and 1997 and the 13 percent increase between 1993 and 1995.22

Although Proposition 38 includes a mechanism for increasing the amount of the voucher, it is unclear whether such increases, which are tied to per-pupil spending in the public sector, would keep pace with rising private school tuition. At existing private schools, the percentage of tuition covered by the voucher may diminish in subsequent years.

Even at schools that were created — and set low tuition — specifically to attract students whose families could not afford to augment the voucher, a similar phenomenon could occur. While in the first year of the program, the voucher amount would equal slightly more than 50 percent of both California and national per-pupil spending, it is expected to drop to just 50 percent of public school spending in the near future. Experts such as Sugarman doubt that good private schools could sustain themselves on that 50 percent alone. Thus, these schools would likely need to raise their tuition or risk closing.

Implications for Tuition

Based on WestEd’s survey of tuition costs at California’s private schools, it appears that, at least for the next few years, a $4,000 voucher would cover tuition at many religious schools, particularly elemen-
tary schools. However, that relative affordability is neutralized by the fact that so many of these schools are already full or nearly so. At many other religious schools and the overwhelming majority of independent schools, the voucher would not suffice to cover tuition, let alone additional costs. In such cases, families would have to augment the voucher to cover the remainder, a difference that, depending on the school, could range from several hundred dollars to more than $10,000. Given this situation, the $4,000 vouchers would subsidize costs for currently enrolled private school students. The vouchers might also allow more middle-income families to access previously unaffordable schools. But the new vouchers would probably not greatly increase access for low-income families. Nor would it expand access for families who want their children to attend a nonreligious school.

While voucher programs in Milwaukee and Cleveland have allowed low-income students to attend private schools, it is risky to compare those programs with that proposed under California’s Proposition 38 because of differences in the structure of the programs and California’s higher private school tuition overall. While nothing in the California initiative restricts schools from charging voucher students more than $4,000, by law, private schools participating in the Milwaukee program cannot charge voucher students more than the voucher amount. Similarly, Cleveland’s private schools are allowed to charge no more than 10 percent of the voucher’s value in additional tuition or other fees. California’s private schools are also more expensive than private schools in other parts of the country, like Milwaukee and Cleveland. There, average private school tuition ranges from roughly $400 less for a Catholic elementary school to $3,000 less for an independent secondary school. Simply put, a $4,000 voucher buys less in California than it would elsewhere in the country.

Private School Admissions and Student Populations

Among the key factors influencing private school accessibility are admissions practices. Private schools of all types generally have selective admissions based on varying criteria, usually including a student’s academic ability. How these admission practices shape the composition of private school student populations and whether these practices would likely change under a voucher system are two important considerations in thinking about the degree to which vouchers would affect school choice.

Current Admission Practices

Admissions requirements and procedures differ from school to school, but all schools — both religious and independent — report some admissions criteria. Aside from the relatively few private schools created to serve under-achieving students, most private schools require proof of grade-level academic achievement or, in the case of kindergartners, academic potential. According to the 1992 SWRL survey, the importance of grade-level achievement applies to all types of schools, regardless of the school’s religious affiliation, annual tuition, or age of students. WestEd’s survey results show that in assessing applicants against this standard, schools tend to rely on previous academic records (83 percent), student/parent interviews (83 percent), teacher recommendations (64 percent), and test scores (60 percent). Among religious schools in the WestEd sample, 38 percent include religious affiliation among their admissions criteria. Nearly all schools also have some admissions practices related to student behavior, assessed through interviews with students or their parents and/or reviews of student records. Some include as a specific admissions criterion that students have a school history free of suspensions, expulsions, or criminal activity. In addition, there are often unstated admissions requirements used to decide between otherwise equal candidates or to build student diversity.
In addition to its admissions requirements, a school’s programming and services help shape its student population. For example, a program that offers specific support to students with learning disabilities may hold greater appeal for some students than a school that does not offer any special support. In fact, there are two broad categories of students for whom the public school system currently provides targeted support that is generally less available in the private school system.

- **Special Education Students.** Apart from the relatively few schools that exclusively serve physically challenged students, children with severe learning differences, or other special needs students, the majority of California private schools are not currently equipped to serve many of the state’s growing numbers of special education students. In 1998, less than 2 percent of California’s special education students were enrolled in private schools. Currently, special education students account for only 1 percent of the private school population. While some private schools have set up special services for students with mild disabilities (such as dyslexia or speech impediments), most cannot accommodate students with more serious learning disabilities, physical or emotional impairments, or other special needs.

Schools interested in serving these students must grapple with the question of fiscal feasibility. The 1997 Amendments to the Individuals with Disabilities Education Act (IDEA) limit a public school’s obligation to cover private school costs when the placement is based on personal preference rather than on the public agency’s inability to provide appropriate special education. This means that, in many instances, the only additional funding a special needs student would bring to a private school would be the $4,000 voucher, making it difficult for private schools to accommodate these students by adding costly services. While the severely disabled often receive public funds to attend private schools specifically designed to meet their needs, and while the mildly disabled may find appropriate services in private schools, the bulk of special education students do not currently have access to private schools.

- **English Language Learners.** According to WestEd’s survey sample, English language learners (ELLs) account for 5 percent of California’s private school students. Moreover, the survey response indicates that these students are concentrated in relatively few schools. In California public schools, ELL students may, at a parent’s request, receive special services, such as language enrichment classes or curriculum and instruction in their native language. By contrast, few private schools offer non-English language support in the form of identified programs or special services. Those ELL students enrolled in private schools are typically taught in regular classrooms with English as the sole language of instruction, and by teachers who are less likely than their public school counterparts to have had special training in English language development for non-English speakers.

**Proposition 38 and Future Admission Practices**

On average, California private schools now admit 78 percent of their applicants. But school by school, the acceptance rate ranges from the single digits to 100 percent, depending on the selectivity of a school’s admissions criteria. There is no evidence to suggest that those admissions criteria and other admissions practices would change under Proposition 38. Unlike the Milwaukee, Cleveland, and Florida voucher systems, which require that participating schools effectively suspend admissions requirements and accept any voucher-bearing student, the California initiative does not compel participating California schools to accept anyone who doesn’t meet their admissions requirements. There is no reason to believe private schools that currently reject students who are performing below grade level, have
disciplinary problems, or don’t stand out in the applicant pool would change those admissions practices — especially in the face of increased demand and greater choice in the applicant pool that vouchers would likely bring.

Some private schools might attempt to accommodate more special education and other special needs students, but as noted earlier, doing so presents challenges. For special education students, a $4,000 voucher would probably not cover the special services that many of these children require. Moreover, because there is already a shortage of special education teachers in the public schools,33 private schools wanting to enroll students with more diverse abilities could find it hard to recruit the appropriate teachers. With schools likely to turn away students they cannot properly accommodate, school choice would remain elusive for these families.

For English language learners (ELLs), school choice would, in part, depend on familial preferences and perspective. How best to serve ELLs remains controversial. For families seeking a private school where ELL students receive special language instruction or work with specially trained language development teachers, choices may be much more limited. Even schools with a desire to accommodate these students are unlikely to be able to offer additional services, given the amount of the voucher.

Implications for Admissions Practices

A number of factors indicate that neither admissions criteria nor private school populations would be apt to change in any meaningful way. First, as stated previously, at many private schools — both religious and nonsectarian — applications already exceed the number of spaces available. In these situations, parents with particular savvy, sufficient time, or familiarity with a private school, might seek advantage by writing letters, making phone calls, or meeting with administrators. Other parents, particularly those new to the private school system, would be at a comparative disadvantage. Moreover, preference given to siblings already limits access to new families. Additionally, at religious schools, parishioners or members of the religious community often receive preference over others.34

Most importantly, however, Proposition 38 would not provide an incentive for private schools to enroll either underperforming students, special populations, or any other students that would not be admitted under current admissions policies. Already, many private schools screen students for academic ability, and the likely increase in applications under Proposition 38 would probably cause them to become only more selective. Those students who are either below grade level or who score poorly on an admissions test would not be likely choices for one of the few available seats.

Similarly, unless new schools were opened specifically targeting special education students — unlikely, given the per-pupil cost of doing so compared to the voucher amount — these students would probably continue to have little access to the vast majority of private schools. Families of ELL students seeking schools that provided distinct services to address their children’s language-related learning needs would face the same situation.

Conclusion

Expanded access to private schools would not be appreciably extended if Proposition 38 were adopted. While Proposition 38 would offer a voucher to any school-age student, the details of the initiative, coupled with the projected capacity, costs, and admission practices of California private schools, would largely limit any expanded private school choice to more-advantaged families.

Unlike some voucher programs elsewhere that require participating schools to accept voucher-bearing students on a random basis, the proposed California program would not compel schools to change current admission practices. Generally speaking, those practices tend to screen out applicants who are performing below grade level, who
Will Vouchers Improve Student Access to Private Schools?

pose behavioral problems, or who don’t stand out in
the admissions process. Nor would schools be
compelled to add services for special needs students
or any other students seeking special support. For
those families whose children need more attention or
special services, whether because of learning delays,
language issues, or emotional difficulties, private
school choices would be limited.

On the other hand, the voucher would serve as a
tuition subsidy for families whose children are
already enrolled in private schools. By the fourth year
of the program, substantial public funding would be
directed to those families whose children would
attend private school irrespective of the voucher.

Proposition 38 could encourage private schools
to seek out more middle-class families; that is, those
able to supplement the new public voucher with
several thousand dollars in personal funds. But
beyond this possible shift in the economic diversity
of private school students, Proposition 38 does not
contain mechanisms for significantly increasing
students’ access to private schools or stimulating
notable change in school choice.

Endnotes

1 Generally, and for this report, the term “private school”
and related statistics refer to all non-public schools. Among
them are elite college-preparatory academies, large Catholic
high schools, schools for the blind, alternative schools for at-risk
children, small fundamentalist Christian academies, Jewish day
schools, and many others, both independent and religious.

2 This report is based on a review of the pertinent literature,
including national and California-based studies of private
schools; conversations with school choice experts and directors
of private school organizations; an examination of how voucher
programs have been working in other parts of the country; and
an analysis of data WestEd collected from more than 500
California private schools in July and August, 2000. WestEd’s
private school survey included a 15% random sample mail
survey, followed by a 10% sample phone survey to obtain more
targeted data on tuition.

3 In California, in 1999-2000, there were roughly 4,266
private schools enrolling 640,802 students, or 9.7% of all
California K-12 students (California Department of Education,
Specialized Programs Division. [2000]. “Enrollment and staff in
California private schools, 1999-2000.” Sacramento, CA:
Author.) Most definitions and statistics do not currently include
schools with fewer than 5 students, generally considered part of
the home schooling trend.
Private schools are already very popular in some counties, such as San Francisco and Marin, where they enroll 30% and 20% of all students respectively; however, in 11 rural counties, private schools enroll less than 3% of students (Ibid.).

A 1999 report from the National Catholic Education Association indicates that there is already substantial unmet demand for Catholic schools in the West/Far West region. For example, in 1997 in Oakland, CA, 15 new elementary sections per grade level would have been needed to meet enrollment demand (Augustein, J., & Meitler, N. [1999]. Catholic school growth, 1985-1999. Washington, D.C.: National Catholic Education Association).

One interesting finding from the mail survey is that the majority of schools operating at less than full capacity still maintain a waiting list, i.e., choose not to admit some students even though space is available. These schools would probably not be willing to admit students who did not meet their various entrance requirements, even if supported by a voucher (WestEd, 2000).

Estimates are based on research and modeling done for several organizations, including California Catholic Conference. (Teegarden, 2000).


WestEd (2000).

What a voucher could buy. Los Alamitos, CA: Southwest Regional Educational Laboratory (SWRL).