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Opportunity Scholarships

Paul E. Peterson

Undoubtedly the most innovative and closely scrutinized of all the Florida education reforms, the Opportunity Scholarship Program (OSP), offered students a choice of private school if their public one failed to meet minimum standards twice in a four-year period. OSP received widespread national attention when enacted in 1999, became the subject of a prolonged legal battle, and was ended by a controversial decision by Florida's supreme court in January 2006. In the meantime, the program enhanced the performance of some of the worst public schools in the state, a record of accomplishment that is all the more noticeable when compared to the impact of the school choice provisions enacted by the federal government as part of No Child Left Behind (NCLB).

OSP allowed parents whose children were attending to a twice-failing school to choose a higher-performing public school or a par-

ticipating private school of their choice.¹ By the time the Florida supreme court decision eliminated the private school option, only 740 OSP students were enrolled in private schools.

Florida identifies a public school as eligible for participation in OSP under the Florida A+ Accountability Plan (hereinafter referred to as A+), if the school receives an “F” two times in a four-year period. For a school to receive an “F” in any given year, its students, on average, have to perform very low on the Florida Comprehensive Achievement Test (FCAT) and have made very little progress. Because half the FCAT score is determined by changes in test scores from one year to the next, schools can avoid receiving two “F”s in succession by achieving detectable gains in student performance—even if the absolute level of performance remains low.² By registering such gains, many “F” schools avoided a second “F,” which limited the number of schools that became OSP-eligible and, in turn, restricted the number of student participants in the OSP program.

Despite its small size, Florida’s supreme court declared the private school option to be in violation of a clause in the Florida constitution that says it is a “paramount duty of the state” to make “adequate provision” for a “uniform, efficient, safe, secure, and high quality system of free public schools.” When thousands of low-income, minority parents and students rallied in opposition to the decision, state officials began to explore ways of preserving this element of the OSP program. However, the legislature decided during its 2006 legislative session not to call for a constitutional revision that would allow OSP to continue. Because the legislature may wish to consider that option at some time in the future, it is appropriate to assess the impact OSP has had on the public schools in Florida.

1. Students assigned to enter kindergarten or first grade of a twice failing school are also eligible for the program and so are students who are newly assigned to that school (usually because they moved to the neighborhood it serves).

2. The exact procedures for grading schools on Florida’s “A” to “F” scale are described in Chapter 3.

Principal Findings and Recommendations

The following findings emerge from a review of program operations and a variety of independent evaluations:

1. The OSP program has had a positive impact on the efficiency and quality of some of Florida's worst-performing public schools. Schools that received an "F" and thus were threatened by a loss of students under the OSP program either closed or reconstituted and were given a new identity—or else responded positively to the challenge. Students at the "F" schools that retained their identities learned approximately an additional third of a year more than they would have without the intervention. Positive impacts on public schools have been detected by several independent studies, using a variety of methodological approaches.
2. OSP has been more effective in challenging schools to lift their students' achievement levels than the parental choice provisions of No Child Left Behind (NCLB), which limit choices to higher-performing public schools within the same school district.
3. Eligibility for public school participation in the program is stringent. For students to become eligible for an OSP scholarship, a school must fail to pass extremely minimal standards twice within a four-year period. In addition, if an "F" school is then reconstituted, it loses its identity and its record of having received an "F," therefore avoiding the threat of becoming OSP eligible should it get another "F." As a result, only 47 public schools were eligible for OSP participation at one point or another during the 7 years of the program's existence.
4. Approximately 1,300 students have received OSP scholarships to attend a private school at some point during the program's life. Scholarship recipients came almost entirely from minority families and were disproportionately of low-income, as indicated by eli-

gibility for the National School Lunch Program. No studies on the impact of OSP on the participating students' achievement are available.

Based on the educational evidence currently available, it is recommended that:

1. Public officials should explore ways of retaining the OSP program. If retained, students should be given the opportunity to exercise the choice option for up to four years after a school has been found eligible.
2. School eligibility for participation in the program should be less stringent, so that more schools are challenged by the OSP option.
3. NCLB parental choice provisions should be broadened so as to more closely resemble those made available under OSP.

School Eligibility for Participation in OSP

When OSP was initially announced, reporters and analysts anticipated that as many as tens of thousands of students could, within two years, become participants in the program, numbers that added to the national attention directed toward the program.³ These projections were off-target. In 2006, seven years after students first began participating in the program, only 740 students were attending private schools under the OSP program.⁴

3. Diane Rado, "Vouchers, Many Victories Mark Bush's First Session," *St. Petersburg Times* (Florida), May 01, 1999; Mark Hollis, "Vouchers May Hurt Poor School," *Sarasota Herald-Tribune* (Florida), May 17, 1999; Janet Marshall, "Florida's Voucher Program on Track to be the Largest," *Ledger* (Lakeland, Florida), February 13, 2000.

4. Whether or not a school continues to receive an "F" does not affect student eligibility once the student has opted to attend another school. Students remain eligible to remain at an elementary private school until it reaches the highest grade level provided by that school and, at the end of eighth grade, can transfer to another private school, if the public school to which the student would be assigned has a grade lower than a "C."

Program size was sharply limited by the small number of schools twice identified as “F” schools under the A+ plan. Over the course of the first seven years of the program, only 46 schools were identified as eligible for participation in the OSP program at one point or another, less than 2 percent of all the schools in Florida. In any given year, no more than 21 schools were found eligible (See Table 1). That the OSP program is so small is due in part to the improvements schools make the first year after they are given an “F” (see discussion below). But the limited size is also due to other factors as well.

For one thing, performance on the FCAT need not be very high for a school to escape the designation “F.” Since 2002, approximately one half of the score a school receives on a 600-point scale depends upon the growth that a child has made from one testing period to the next. The other half of the score is based on the overall level of performance. If a school receives as few as 280 points on this scale, it avoids the “F” designation. Since Florida’s proficiency standards are not particularly high (about average among the fifty states), even modest educational performance—or just limited educational gains—can be enough to avoid the “F” designation.

During the period 1998 through 2004, just 185 (or less than 7 percent of all Florida schools) received one “F.” By 2005, 26 of these schools were either closed or reconstituted and had been given a new name and identity.⁵ The impact of reconstitution is unknown, because at this time no studies of student performance at these schools have been reported.

OSP Impact on Low Performing Public Schools that Retain their Identity

For those 159 public schools given an “F” but which still retained their identity, OSP has had a positive impact on their performance.

5. Eight of these schools became OSP eligible before deciding to close or restructure.

Table 1. Characteristics of the Opportunity Scholarship Program (OSP), from 1998–99 to 2005–06

	1998	1999	2000	2001	2002	2003	2004	2005	2006	Total ^a
"F" schools	2	76	4	–	64	35	49	78		185
OSP eligible schools		2	–	–	10	8	21	16		47
OSP eligible students ^b		1,040	–	–	11,294	15,644	24,192	13,936		
OSP students (private) ^c			57	51	47	556	640	763	740	
OSP private schools			5	5	5	31	35	44	55	

Notes

^a Numbers do not add up to total, because total figures do not include duplicates. Multiple schools got an "F" more than once and a few became OSP eligible more than once during the seven-year time period.

^b Data on OSP eligible students is approximated by the number of children who were enrolled by the end of the year in the eligible schools. These students were given the option to change schools for the following year. For example, of the 76 schools that got an "F" in 1999, 2 became OSP eligible because it was their second "F." Those two schools were serving 1,040 students by the time they became eligible. Of the eligible students, only 57 decided to use the scholarship to attend a private school the following year.

^c OSP students only include those who used the scholarship to attend a private school.

Sources: Florida Department of Education, School Accountability Reports and Opportunity Scholarship Program Statistics.

Students at those schools that received an “F”—and thus became subject to the threat of participation in the program unless they improved the next year—often registered enough gains the next year that they avoided being designated again as an “F” school. By 2005, only 39 of these schools had become OSP eligible and just 4 other had received a second “F” but not until at least three years had gone by.⁶

Some of the accomplishment must be attributed to Florida’s policy of helping low-performing schools out of the trough. As an incentive, “F” schools, like other Florida schools, were awarded \$100 per pupil the next year if they improved their standing by one letter grade. These funds could be spent on teacher bonuses or other non-recurring expenses related to student achievement. In addition, “F” schools were assigned a community assessment team made up of parents, business representatives, educators, and community activists who were to write an intervention plan for the school. Officials report that the Florida Department of Education assigns a staff member to each school that has been given an “F” to ensure that all steps possible are taken to improve performance. “F” schools may also have had an incentive to improve simply to avoid a repetition of the embarrassment they had experienced.⁷ Yet the biggest concern for those “F” schools was the certainty that, were that “F” to be repeated, students could leave the school for other public schools or to attend a private school.

According to a theory advanced by Rajashri Chakrabarti, an economist at the New York Federal Reserve Bank, voucher threats (such as those created by OSP) are even more effective at stimulating public

6. Omitted from these numbers are the 62 schools that received their first “F” in 2004–05, which have, as of this writing, not received their grades for the following year. Also, as a result of the 2006 court decision, “F” schools are not currently subject to the voucher threat (although they are still subject to the public school option).

7. However, Chakrabarti found no “stigma” effect of the early Florida accountability program that did not include the voucher threat. Rajashri Chakrabarti, “Impact of Voucher Design on Public School Performance: Evidence from Florida and Milwaukee Voucher Programs,” Program on Education Policy and Governance, Harvard University, 2005.

school performance than an actual voucher program, such as exists in Milwaukee, Wisconsin.⁸ Under OSP, schools can prevent any student exodus by improving their performance enough to avoid the grade a second time, giving them a strong incentive to do so. In Milwaukee, where specific students are allowed to transfer to a private school regardless of the performance of their current public school, improved public-school performance can only be expected to retard—not halt—the pace at which students leave the school.

Events in Florida have been quite consistent with the Chakrabarti theory. When schools were threatened by vouchers, student test scores at these schools improved. The impact of the OSP program was first noticed by Jay Greene, in a pioneering essay that documented programmatic effects even after OSP had been operating for just one year.⁹ The year after schools received an “F,” student scores on the FCAT rose more than in very similar-looking “F” schools that had barely escaped the voucher threat. The FCAT gains could be observed in reading and math but they were the most striking in writing. A few years later Greene and his colleague Marcus Winters repeated the analysis for a subsequent year, reporting similar results.¹⁰ Using a different methodological approach, Chakrabarti confirmed the findings observed by the Greene research team.

Though all three studies were carefully conducted, they were open to a significant methodological criticism. They all depended upon information concerning overall student performance at a school, as reported for each school by Florida’s Department of Education. In order to protect student privacy, the Department does not publicly report the test scores of individuals, only the overall averages at the school from one year to the next. But school averages can be skewed from

8. Chakrabarti, 2005.

9. Greene, Jay P. (2000). “The Looming Shadow: Florida Gets its F Schools to Shape Up.” *Education Next*, 1(4): 76–82.

10. Jay P. Greene, and Marcus A. Winters, “Competition Passes the Test,” *Education Next*, 4(3): 2003, 66–71.

one year to the next by the departure of some students and the arrival of others. Given the high rates of residential mobility in Florida as a whole, and within disadvantaged communities in particular, FCAT scores at a school can change simply as a function of the change in the composition of the test-takers at the school. For that reason, school-wide gains at “F” schools do not conclusively prove that students were actually learning more. Also, it is possible that schools were “gaming” the system by taking such actions as excluding low-performing students from test-taking or encouraging them to be absent on test day, though this kind of gaming seems to have been held to a minimum.¹¹

Still, one can only be quite certain that gains in school-wide averages actually reflect gains by individuals only if one can also track individual student gains from one year to the next. The first study to make use of individual student-level data found positive impacts of the accountability system in place in 1999, three years before the more sophisticated accountability system that evaluated schools on the basis of gains in student performance had been put into place.¹² While it found larger student gains at “F” schools, its results were limited to a subset of school districts within the state.

11. Chakrabarti found that special education exclusion rates did not go up, after a school was designated as an “F” school. Neither did she find a focus on particular groups of students whose scores, if improved, would count more in the grading scheme. She did find that schools tended to concentrate on the writing exam, when performance on that exam affected a school’s designation of an “F” school. Rajashri Chakrabarti, “Do Public Schools Facing Vouchers Behave Strategically? Evidence from Florida,” Program on Education Policy and Governance, Harvard University, 2005. Since schools could lift writing scores fairly easily, performance on this examination provided misleading information as to how well the school was doing more generally. Recognizing the problem, Florida officials in 2002 reduced the weight given to the writing examination in the A+ grading system.

12. David N. Figlio and Cecilia E. Rouse, “Do Accountability and Voucher Threats Improve Low-Performing Schools?” NBER Working Paper No. 11597 (September 2005); David N. Figlio and Maurice E. Lucas, “What’s in a Grade? School Report Cards and the Housing Market,” *American Economic Review* vol. 94, no. 3 (June 2004): 591–604.

Fortunately, it is now possible to assess the impact of the more rigorous accountability program introduced in 2002 and detect whether or not the voucher threat has had an impact statewide. The Florida Department of Education has developed a warehouse of detailed data that allows qualified researchers, who comply with confidentiality regulations, to track the performance of individuals across the entire state. Analyzing this information by comparing “F” schools to “D” schools that had very similar test-score performances, Martin West and I found that the students at the “F” schools showed, on average, larger gains in student achievement on the math and reading portions of the FCAT than students at “D” schools that closely resembled the voucher-threatened “F” schools.¹³ Based on this comparison, we estimated that in 2002–03 students learned approximately one-third of a year more in reading and math in the “F” schools than they would have without the intervention.¹⁴

Student and Private School Participation

As the number of schools eligible for participation in OSP fluctuated, the number of students eligible to receive scholarships to attend private schools has varied from one year to the next, from a minimum of 1,040 in 1999–2000 to a high of 24,192 in 2004–05 (see Table 1). However, only a small percentage of eligible students actually used the scholarships offered to them. As can also be seen in that table, the actual number of students participating in the program grew from just 57 in the first year of the program to a high of 763 in 2005.

13. Martin West and Paul E. Peterson, “The Efficacy of Choice Threats within School Accountability Systems: Results from Legislatively Induced Experiments.” *Economic Journal* 2006, 116(510): C46–C62.

14. On average, students in “F” schools gained 5 percent of a standard deviation more on the tests than students in comparable “D” schools, which gained 5 percent of a standard deviation more than students in C schools. Thus, the total impact of the “F” designation was approximately 10 percent of a standard deviation, with 25 to 30 percent of a standard deviation estimated to represent about one year’s worth of learning. All gains were corrected for mean reversion.

That only a few students used the scholarship offered to them was undoubtedly influenced by OSP's problematic litigation status. In addition, students had to decide to exercise the OSP option by July 1 of the summer that their eligibility was announced, giving them only a few weeks to make the choice.¹⁵ For these reasons, the paucity of participating students should not be taken as conclusive evidence that parental interest in the private option would always remain limited. In programs where choice options are continuously available and constitutional issues have been resolved, participation rates increase substantially. In Milwaukee, for example, a school voucher program had less than one thousand participants in 1991, but by 2006, seven years after its constitutional status was assured, the program had expanded to 15,000 students (over 15 percent of the eligible population), with expectations that it would grow to 22,000 in the not too distant future.

Student participants in the OSP program come from disadvantaged backgrounds. In 2006, 65 percent of the OSP students were African American, and another 30 percent were Hispanic. At least 72 percent were eligible for free or reduced-price lunch, and only 2 percent were clearly not eligible. Only anecdotal data is currently available on the achievement gains made by these students as a result of their private schooling.¹⁶

Impact of NCLB Choice Provisions

As in the case of OSP, NCLB provides parents an option to attend another school, if their child attends a school that falls below required performance standards two years in succession.¹⁷ NCLB's school choice provisions have not had the same positive impact on student

15. School grades were announced in early to mid-June each year.

16. Jenny LaCoste, "Discipline, success, acceptance and inspiration," *Pensacola News Journal*, December 21, 2003.

17. See chapter 3, pp. 65 for a definition and discussion of "adequate yearly progress" (AYP).

performance in Florida as OSP has had. When West and I estimated the impact of the NCLB legislation on student performance during the 2003–04 school year, we identified no programmatic impact whatsoever.¹⁸ Students at schools that were found not to be making Adequate Yearly Progress (AYP) did no better the following year than students at schools found to be making AYP. This, despite the fact that schools who twice fail to make AYP must then allow parents to choose another public school. Results hold whether or not schools were Title I schools.

In other words, NCLB choice provisions did not have the same impact on student performance at low-performing schools as OSP had. The federal law's more limited impact is almost certainly due to its very weak requirements. Opportunities to move to another school are given only to parents whose children are attending schools in Florida that receive funding through Title I, the federal government's compensatory education program. Even for these schools, the incentives to improve are minimal. Although parents are given some options under the federal program, private schools are not among them nor are public schools outside the school district in which the student is residing. Even that alternative is restricted, because only adequately performing schools (according to NCLB standards) are eligible to receive a choice student. In 2003, three-fourths of all schools in Florida were said not to be performing adequately.¹⁹ Although that percentage has dropped subsequently, the options under NCLB in Florida remain very limited.

Although it is unknown how many parents are exercising options to attend another school in Florida under NCLB, there is no evidence

18. West and Peterson, 2006. The methodology used to estimate the impacts of NCLB's choice program was virtually identical to the one used to estimate the impact of the OSP program.

19. If schools remain in need of improvement for an additional year, families become eligible for supplemental educational services after school, either from the school district or from private or non-profit providers. After four years, the school may be reconstituted.

that they exceed the nationwide rate, which in the 2003–04 school year was less than one percent.²⁰

Conclusions

The effectiveness of school-choice programs at challenging public schools to do better depends upon their design. When a school-choice program (such as OSP) threatens a public school with a loss of students to the private sector, then the potential loss of students—and the state dollars that accompany their enrollment—appears to motivate higher performance. No similar impact on student performance can be found for a school-choice program (such as the one required under NCLB) that only gives parents a choice of another public school within the same school district, probably because this type of choice program has little impact, financial or otherwise, on the school district.

20. U. S. Department of Education, Institute of Education Sciences, National Center for Education Evaluation and Regional Assistance, National Assessment of Title I: Interim Report, Volume I, (2006) p. 65.