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# RELIGIOUS LIBERTIES

## SCHOOL VOUCHERS: PAST LESSONS AND FUTURE PROSPECTS THE SUCCESSES OF VOUCHER PROGRAMS THUS FAR

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Mr. Danny LaBry, *Washington Scholarship Fund*

Brother Bob Smith, *Messmer Catholic Schools*

Mr. Robert Enlow, *Vice President, Programs and Public Affairs, Milton and Rose D. Friedman Foundation, Discussion Leader*

**MR. ENLOW:** We are talking about the real world, and it is important to note that some of the previous panelists who were critical of school choice and school vouchers are no longer here to actually defend the comments that they made. For example, one panelist said, this is about the real world; the Justice's opinion is abstract and other-worldly and that any reasonable person would consider this decision (*Zelman v. Simmons-Harris*) unconstitutional. Well, in my world, which I consider a slightly more real world, a par is a par: a four is a four; a three is a three; a five is a five; and a 5-4 is a 5-4. That is the end of the story.

We need to make sure we're clear about that. We can whine about different dissents; we can complain about different things. And there are legal, reasonable debates to be had. But the fact is that it was a five-person majority who ruled very strongly, as far as we can tell, in favor of giving parents the choice of schools. And the critical difference between one of the panelists on the legal side and my personal opinion was the misunderstanding of direct aid versus indirect aid. Vouchers in Cleveland are more different than food stamps in many ways — direct aid to a parent who can choose to use them wherever they want, which is in fact, the genesis of Dr. Friedman's argument.

I was originally supposed to only be the moderator of this panel. We were going to be joined by Pat Rooney, who unfortunately is ill and cannot join us. I have also been asked to do a little speaking, and in the true nature of Milton Friedman and free markets I am being a little flexible, we are responding to the marketplace. What I am going to do very quickly is introduce our two esteemed panelists and let you know what we are each going to talk about.

First, is Mr. Danny LaBry, who is the President and Executive Director of the Washington Scholarship Fund. The Washington Scholarship Fund is a non-profit organization giving out private scholarship vouchers to low-income children in Washington, much like our Choice Charitable Trust here in Indianapolis. It serves a number of kids. It started in 1993 with 56 children and now has over 1,300 students that are receiving privately funded vouchers to over 130 different private schools.

Prior to being the executive director — I just found this phenomenal — Danny worked as a fundraiser for many years in non-profit education settings, but he also worked for NASA, which is great. He was the senior vice president of program innovations at the Challenger Center for Space Science Education. He also directed development of educational programs at the Space Center in Houston.

I was saying to Danny at lunch I cannot think of a better example of how indirect aid works than NASA. When President Kennedy got up and said, you know what? We are going to land a man on the moon in ten years, well clearly, they didn't build a government rocket ship. They actually built it with private enterprise and private companies being paid for by the government. So, I was really excited. Danny is going to talk about the Washington Scholarship Fund and the recipients of the Washington Scholarship Fund — the real stories.

The next panelist is Brother Bob Smith. I have had the distinct honor and pleasure to get to know Brother Bob over the last few years out of Milwaukee — in fact, one of the original pioneers in Milwaukee of the school voucher program and one of its longest defenders. He is a member of the Order of Friars of the Minor Capuchin since 1979. Brother Bob's experience is incredibly varied. He has a B.S. in Criminal Justice and a B.S. in Sociology and a M.S. in Administrative Leadership and Supervision. He has a teacher's certificate and a principal's license. This man knows what is going on, not only in the City of Milwaukee, but also in cities and urban areas around the country.

Prior to being named the principal of Messmer High School in 1987, he was with the Michigan Department of Corrections. And here is something really interesting about the evolution of the voucher program and the private market in Milwaukee, just looking at Brother Bob's experience, from Messmer. He was elected first as principal of Messmer High School. He then became president of Messmer High School. You can see the change in title to a different understanding. Then, from there he became president of Messmer Catholic Schools. Hence, they have created a new school and they have a growing and budding business for children in Milwaukee.

Brother Bob is obviously a frequent keynote speaker, a man who has many awards, who is on many boards, including the Bradley Foundation, the University School of Milwaukee, and many others. There were three awards that he received that I think are outstanding: The Archbishop's Vatican II Award for Education; the Governors Commendation for

Education; and of course, there is a Brother Bob Smith Day in the City of Milwaukee by Proctor Casey.

So, Brother Bob will be our panelist, and I am glad to have him here in our great city of Indianapolis. I know he has been here before, and it is nice to have a friend here as well.

My goal is to give the really boring details really quickly before you get to the real world of school vouchers and their success so far, but I am not going to be talking about parents and the impact and the community involvement that people have. I am going to talk about what are the inputs in terms of voucher programs and school choice programs around the country. We know our educational establishment loves to talk about inputs. What are the outputs about educational choice programs? What are the numbers in terms of inputs? What are the numbers of children in the programs? What are the number of schools accepting vouchers and tax credits? What are the amounts of vouchers and tax credits? Let us just look at the hard, cold numbers because, of course, to the education establishment they mean something.

More money means better education — we all could debate that until we're blue in the face. There are five voucher programs currently in America, and there are five tax credit programs. It is nice to know that when the Friedman Foundation started, there was one in Milwaukee and two voucher programs in Maine and Vermont. Since we have started, since early 1995, there are now ten school choice programs around the country.

Let me focus on the voucher programs. Cleveland has a limited low-income voucher for the residents of Cleveland City. The number of children in the program is 4,457. The amount of the vouchers is up to \$2,250. The number of schools participating — 56 privates schools, 46 religious, 10 non-sectarian. Now, there could be a billion more schools; maybe billion is a little large. The fact is, suburban schools in adjacent districts decided not to take vouchers. They could have taken vouchers for children in Cleveland, they decided not to, despite the fact they would have gotten three times the amount of \$2,250. So clearly, we know where the educational establishment lies on this.

Florida has two voucher programs. One is called the McKay Scholarship Program, which I think is an amazing program. It is a limited voucher program for children with special needs. Any child in Florida that is given an IEP, an individualized education plan, is eligible to receive a voucher. That is a universe of 340,000 kids who are eligible. Currently we're looking at about 4,997 in the program, and that is in less than two years, if I remember correctly.

The amount of the voucher for Florida's McKay Scholarship is the lesser of the cost of the student's public school or the actual private school tuition, plus categorical funding from the federal government, and top-ups. Parents are allowed to top up the voucher. The average range is \$3,000 to \$5,500. There are 357 private and public schools enrolling to McKay Scholarship children.

Florida's A-Plus Scholarship Opportunity Program — this is not a limited voucher program in terms of means tested. It is limited based on failing schools. The State of Florida decided that we are going to give grades to schools, A through F. If you fail as a school based on state assessments and a variety of other criteria, twice in any four-year period on a rolling basis — you could fail the first and the fourth years or the third and the fifth year — every child in that school would be eligible to receive a voucher.

When it started in 1999, there were two schools and that number has been maintained until just this year. There are currently 70 children in the program, 23 of whom can go to public schools that given a grade of C or above and 47 in private school. There are five private schools and other public schools are part of the program. The amount of the voucher is the local district's per-pupil cost or tuition, whichever is less — again, between \$3,000 and \$5,500.

It is important to note that this year, ten new schools have reached the failing list. That is ten new schools in Florida, and that reflects thousands of kids.

There is an old program in Maine, the Maine Program, that is known as a tuitioning voucher program. Here is the basic concept in a nutshell. Maine has places where they have decided, for whatever reason, not to build and operate public schools, whether they are elementary or high schools. They said, we are either too rural or do not want to; we are just not going to operate it. So instead, we are going to give that money to the parents and allow them to choose the school they send them to. They could choose public schools, private schools, in-state or out of state. There are examples in Maine and Vermont where children are using vouchers to go to out-of-state schools.

Religious schools were involved in Maine until 1981. There are 11,100 children currently in the Maine Program, 8,100 in 9 to 12. The amount of the voucher is \$5,732 or the actual private school tuition. This is a very important distinction. In both Maine and Vermont, if you are a local district and say we have got a really elite private school over here and think our kids should go here because John's very bored in school, but that tuition is \$9,000 and we only get \$5,700. Well, they can have a meeting day — it is actually called an annual meeting day — and the local town can get together and vote. You know, we are going to vote to allow \$10,000 to go to this school, and our kids are going to go there. And they do that. It is a very unique program in that fact. There are 150 schools that are accepting tuitioning students.

Milwaukee is the next voucher program. It is a limited voucher program; again that means it is tested for the City of Milwaukee. There are currently 10,882 students in the voucher program, which constitutes slightly above 10 percent of Milwaukee public schools' enrollment. The program is capped at 15 percent, which is about \$15,000. The amount of the voucher is the lesser of \$5,553 — and I leave it to Brother Bob to talk about the actual details of how that works — or the actual private school tuition, so it is the lesser of the two amounts. There are currently 106 private and religious schools in

the program.

One of my favorite sayings — I learned this from Brother Bob and Kevin, who took us up to Milwaukee on a number of occasions. Zakiya Courtney in Milwaukee likes to introduce Milwaukee as a city of options. That is what Milwaukee is right now. Thirty-seven of these schools, by the way, have started non-sectarian schools since 1995, so there is more evidence that the market will work.

Vermont is the last voucher program. It is another vouchering program, that is, where they do not have enough or decide not to build schools. There are 6,336 children in the program. The voucher amount is \$7,347, or again, the actual amount of tuition. There are 148 schools that are receiving voucher students. Interestingly, in Vermont, in a study we did at the Friedman Foundation, 95 percent of the school districts in Vermont received voucher dollars — 39 percent of the district's voucher students. This is after 100 years of having programs in existence. So, this is the impact, long-term, of school vouchers and school choice.

What does this mean in terms of input? This is the longest section, so I will just get through it. It means that there are 37,000 children currently receiving publicly funded vouchers in this country. It means that the average voucher is around \$4,480, so please do not let anyone say that there is not a large voucher out there. And there are more than 882 schools accepting voucher children; many of those have started recently.

In terms of tax credit programs, there are six tax credit programs in this country — Minnesota, Arizona, Iowa, Illinois, Pennsylvania and Florida. Most of those are in a situation — we do not know much about Pennsylvania, Florida or Illinois, because they are brand new. They are pretty new — 1999-, 2000-, 2001-enacted programs — so we know very little about them. We also do not know much about Iowa, except that Iowa's tax credit program is a very low-level program of a \$100 tax deduction.

We do know a little something about Minnesota. Again, just like there are differences in types of voucher programs, there are different types of tax credit program. Minnesota is a direct tax credit program, where lower-income parents can get a tax credit, or a tax deduction if they are higher income. The tax credit could also be refundable. I cannot think of anything more like a voucher than a refundable tax credit. In 1999, in Minnesota, more than 57,000 families claimed an average tax credit of \$369 per family for approved educational expenses. But half of those families claimed a credit had an income of less than \$20,000. So, please do not tell me that people who are “dysfunctional” do not know how to operate and get their kids a good education. In 1999, 191,000 families claimed a tax deduction for approved expenses. The total deductions claimed were \$206 million, for an average of \$1,178 per family.

In Arizona, which is a scholarship tax credit — what Arizona is, is Danny's Washington Scholarship Fund, where donors who give to Danny's fund can get a tax credit from the state. That is all it is. They are called student tuitioning organizations in Arizona. They then can distribute vouchers out, scholarships, to children. In 1999 in Arizona, 31,875 taxpayers donated \$13.7 million to 31 student tuitioning organizations. The average donation was \$430. In 1999, the student tuitioning organizations awarded 3,800 scholarships to children from mostly low-income families, for an average scholarship of \$637.

Those are the inputs. And if were in the education establishment, we would stop there and say we need more money.

Well, right now, let us talk about the outcomes because, frankly, this is what matters. This is what matters for kids. What are the outcomes of choice programs? Parental satisfaction — in Milwaukee, Cleveland, Florida, and for numerous other private voucher programs that have been studied by Harvard, Princeton, University of Wisconsin, Indiana, and Florida State University, all these programs.

What are their findings? Every evaluation shows increased or substantially improved parental satisfaction. I am sure Danny will tell you about his program. The key point — parents who use vouchers are more satisfied with their child's school — it is the same thing in tax credit program, whether it is public or private — and they get more involved in their child's education. Wow, you have a choice, you get more involved.

Outcome number two — academic gains in students. Let us get clear on this. Programs studied in terms of publicly funded voucher programs — Milwaukee, Cleveland, Florida, Maine and Vermont. Tax credit programs are much more difficult, by the way, to research on academic gains of children because the way they are set up, you cannot actually track the students easily. So, we have little knowledge of tax credit programs.

We do have a significant and growing amount, of knowledge on publicly funded voucher programs. Again, researchers at Harvard (two researchers at Harvard, one of whom is Carolyn Hoxby, who is an awesome researcher), Princeton, Indiana University, University of Wisconsin, Florida State, Houston Baptist.

What are the findings? In Milwaukee, which is old data, and I am sure that others in Milwaukee will say that we need a new study, third- and fourth-year students in Milwaukee gained 5 to 12 percentage points increase in math and reading. They score, according to Princeton, 1.5 to 2.3 percent higher per year on the Iowa Test of Basic Skills. According to the University of Wisconsin, voucher students and public school students were the same.

Now, that is a very interesting one because that last finding was John Witte from the University of Wisconsin Madison. He basically said, you know what, we have studied the voucher program and parental satisfaction is up, parental

involvement is up, but academic test scores are equal. Well, guess what. If that was the establishment, how much do you think they would be trumpeting the incredible gains in parental satisfaction and parental involvement.

Second, Cleveland — data shows small but statistically significant increases in student achievement in two out of five areas, language and science.

Florida — the performance of students on academic tests improves when public schools are faced with the prospect that their students will receive vouchers. When you are in a failing school once, what happens? You start getting better, quicker.

Maine and Vermont — this is a study that we think is actually important — schools that attract a greater percentage of voucher money typically outperform on standardized test schools that attract less money. That is regardless of other factors, such as demographics, school location and per-pupil cost.

What is the key point here? There is no credible study in the United States by a credible researcher that shows a negative correlation between vouchers in choice and test scores, that we understand.

Public school improvements — well, the public schools improve quickly. Programs studied by Milwaukee, Florida, Maine, and Vermont. Researchers — and this is likely the most important one — Caroline Hoxby, who I hope Brother Bob will talk more about — a paper by John Gardner, a Milwaukee School Board member, the Urban League of Greater Miami, Florida State, Milwaukee. Overall, an evaluation of Milwaukee, according to Caroline Hoxby, suggests that public schools have a strong positive response to competition from vouchers. Schools that face potentially the most competition from vouchers had the best productivity response. That is from Hoxby, which is one of the few peer-reviewed studies on school choice in America.

Also, during the time the school choice program — according to Milwaukee public school members, MPS students improved on 11 out of 15 tests. Full-day kindergarten was expanded. Seventy-five million dollars has been given in private investment to public schools, which has never happened before. Hiring and firing of teachers has moved more toward the school local level. So, we now have an incredible thing happening. Public schools are improving.

The same thing is happening in Florida. Guess what happened when vouchers became available in Florida. Well, let us see — those first two schools, guess what they did. They hired new teachers. They extended their school day. They required parent-teacher conferences. All this stuff, they had said they couldn't do without more money, but of course they did it very quickly. Public schools respond to competition.

In Arizona, we do know a little bit about the tax credit and the impact on public schools. As a result of the tax credit for public schools — that is dual tax credits, both for scholarships and for public schools — Arizona public schools in 1998 received \$8.99 million in contributions from taxpayers. In 1999, \$14.7 million. In 2000, \$17.5 million. Public schools are not being harmed by school choice. It is that simple.

I will now quickly move to the last issue, the financial impact on public schools. There is a myth out there that I am sure you're going to hear, and which you heard today. Oh, Cleveland takes \$15 million away from the public schools. It comes straight out of the budget. There is a myth that vouchers in school choice and tax credit drain money from public schools.

Again, these programs have been studied in terms of their financial impact — Milwaukee, Cleveland, Florida, Maine, Vermont, as well as Arizona. In Milwaukee, which Brother Bob will talk more about, in ten years of the choice program spending, actual spending in Milwaukee public schools has gone from \$604 million to \$968 million.

Quickly, let us think about Indianapolis, if you live here. When I came in 1995, I think the budget was \$375 million. Does anyone know what it is now? It has easily doubled since that time. So, whether question of causation is there, the fact is that urban public school districts like Milwaukee are just simply doing what the rest of the nation is. They are getting a lot more money. There is no way you can make the argument that vouchers are taking money away when you are doubling your budget every year. Also, per-pupil spending is up from \$6,064 to \$9,400 in Milwaukee.

What are the most important things? If the program were eliminated and 10,000 students had to go back into the public schools in Milwaukee, the cost is estimated to be at \$70 million of added operating expense every year and \$70 million for new facilities. So, there is another burden. In fact, one could make the argument that vouchers are saving Milwaukee money.

In Cleveland, it is the same thing. Since the start of the program in 1996, general operating expenses for Cleveland public schools have risen from \$559 million to \$662 million. Per-pupil spending is up from \$7,900 to about \$8,800. It is the same thing in Florida. In Florida since the start of the program, schools identified its families received more than \$331 million.

Now, quickly, to back up the saving money, I will go to the Maine and Vermont study that Houston Baptist did. We talked about how schools where the competition is greater have a test score increase. Well, let us just take for a second the assumption that money makes a difference. What would it cost in Maine and Vermont to actually buy that test score increase? What it would cost the states of Maine and Vermont to buy that increase in test results, which happens for free because of competition, is \$909 per student per year, or \$300 million extra per year. So, Maine and Vermont are saving a lot of money for their states.

So, I guess the question, before we quickly turn to Danny and Bob for their comments — I have been talking a lot

about the details, what are the current programs. They will tell you a lot more about the human stories and the actual details because I do not have as large a grasp as either of them.

What do we know? All of the opponents' misstatements so far have been answered and corrected. They have said parents do not make good decisions. Well, guess what. Parents in voucher programs make good decisions; they are happier and more involved. School choice does not work — guess what. Children are doing better. They are happier. Public schools don't improve; they are going to be harmed — public schools are getting better and responding to competition. But money is going to be drained; we are going to take money away — no, financially public schools have not been harmed by choice. In fact, in many states, including Arizona and Minnesota where there are tax credits, they have been substantially benefited by the introduction of choice. And now we know that school choice is legal. It is constitutional by what I consider a five-person majority.

The question is what is next. This is important because where do we go from here? The opponents of choice, in my opinion, are exposed. All of their misstatements have been answered, rebutted and corrected. They are going to keep coming up with them and we are going to keep rebutting them. But they have nowhere to run and nowhere to hide, as the old song goes.

Well, what is left? What is left is the one tool that they've been using that we have not yet challenged, and that is raw power. That is something they have been using over and over behind the scenes to defeat school choice initiatives all over the country. They will be exposed for what their self-interest is, and the power that lies behind that self-interest, the amount of money that lies behind that self-interest.

The other thing I need to say about what will happen next is that this fight will be in states, where that power will be exercised by opponents of school choice. I will also say that I believe that the closer and closer we get, the more we build on these issues like approving school choice work, the fighting is going to get dirtier and dirtier.

The only thing I can say to that in the end is that my task as a proponent of vouchers — I would not speak for Brother Bob — is to meet strength with strength. This is about raw power, who has it and who does not, and how we are going to ensure that those who do not exercise the same power that many of us take for granted in education are enabled to make that same choice, whether they do a good job or not.

So, those are my comments on the outcomes and inputs of voucher programs and where to go next. Danny, why don't you tell us about the Washington Scholarship Fund and the real side of this issue.

**MR. LaBRY:** You bet. Dick Komer made a very interesting comment earlier, and I have had the privilege of hearing this reinforced several times. But, in talking about one of the reasons that the Supreme Court took the case was that this time, it had some very real implications. There were 4,300 kids in an obviously failing school system that were going to be impacted by their decision. And that made a difference on the decision to go ahead and take the case and make a ruling on it. Oftentimes, we talk about the statistics and policy studies, and we have got all kinds of posturing and positioning that goes on. But one of the things that we need to remember is the families that are actually going through this, the families that are in need. They are often kind of taken out of the equation in some of these larger discussions.

Before I introduce you to those, there was also the comment made earlier that these families are — the mothers and grandmothers and aunts and uncles are “dysfunctional.” One of our speakers earlier, Mr. Stern, made that comment. I want you to keep that in mind. His description is “dysfunctional.” I have a problem with a lot of the labels that are applied to a lot of the children that are coming out of the public schools looking for our help, and I would like you to keep a couple other words in mind. I want you to keep the words “disciplined,” “committed,” and “dedicated,” instead of dysfunctional.

There was also a comment made earlier — and I forget who made this one — but there was an insinuation that it is coincidental that the amount of the scholarships or vouchers in Cleveland were right about the same as the Catholic school tuition. I get hit with this a lot that you are working with the Archdiocese and all this is a big conspiracy and it is all about getting more kids in the Archdiocese.

Well, right after I came on board with the Washington Scholarship Fund, there was a pretty intense discussion going on about raising the amount of our scholarships again. And let me characterize our board for you. Number one, nobody on our board is wearing a collar. I have Jewish on my board; we have Protestants on our board; we have Catholics on our board; we have people who do not declare a denomination on our board.

The decision that was going around the table about how to set some of the amounts of these scholarships had a lot more to do with the needs of the families, the rates of tuition that were going up, and also how much we could actually fundraise from the private community that was within the area.

I have been there for a year and a half and I have never had a formal meeting with the Archdiocese or the Association of Christian Schools International or anybody else. We have set it based on the needs of the families and what the market is demanding out of the tuition being increased. It is what you would expect. So, no bishops, no cardinals, no ruler-toting nuns — just some committed community people.

Let me read for you a couple of letters, to really get to know the families that are in these programs, these are actual letters. These are not scripted letters. This is not a fundraising ploy, where we give somebody a letter and say can you

handwrite this for us. These are parents who are actually writing these letters.

This is from Carmen Ali. She has a son in our program. She says, “If it wasn’t for the help you give, it would really be hard for me to keep [Jovan] in Holy Name. I applied for the scholarship because I was truly fed up with the public school system. Jovan has grown up socially and academically wise. He was having a very hard time with the work, but now that he is at Holy Name, the teachers spend more time helping and tutoring. He gets along better with the other children. He is a lot happier child. I am presently working two jobs to keep my son in the school, but it is worth every hour I put in.” And again, that is Ms. Ali and her sons.

Patricia McCoy — “WSF has made the lives of my grandchildren meaningful. The financial support received has alleviated much stress in trying to provide a stable environment for three children. My grandchildren’s parents are not in the home. Therefore, there are some emotional problems that exist. But with the caring extending family and Christian education these children receive, it has helped them grow academically and emotionally as well. I expect with the stable foundation that has been created through St. Anthony’s School and your generosity, their future is very bright. This year, because of budget constraints, I have to pay their book fees in advance. This, of course, is a budget item that I had not anticipated. After reworking my personal budget several times, I found a way to take care of the financial obligation. I continue to pray for the sponsors who support the mission of WSF so that other parents can receive this gift as well.”

And one of her grandchildren, Ashley J., also said, “My name is Ashley Jasmine Byrd, a fifth grade student at St. Anthony’s School. I am doing well in math. Math is my most difficult subject. My math teacher has been providing tutoring, which has helped me become more proficient in my math skills. I’d like to thank WSF for their support in helping to provide a quality Christian education for my brothers and I.” Again, that is another real family that is benefiting from this.

Another young lady, Lena — “Thank you for helping me get a better education. I love my school and all my teachers. Please continue to support the Washington Scholarship Fund because it helps kids like me get more out of life.”

Her mother writes, “By being blessed to have this scholarship, it has made it possible to send my children to a smaller school that can provide better attention and a more positive environment. I applied for the scholarship because I was unable to pay the full tuition with my income. The Washington Scholarship Fund has helped me to feel at ease by sending my children to private school versus a large public school. Lena has begun to come out of her shy shell and be more open in classroom participation, and her school has a good computer lab and science lab.”

You are starting to see some characteristics there that really have come out in some of the studies and stuff. We had one, the grandmother talking about the way she moved her personal budget around. This mother talking about wanting a small class instead of large classes — these kind of reflect a lot of the findings that have been there.

This one is from Estella Aralono, who is a single mother in our program. “Thank you for all your help. Without your support, my daughter would not be in the school that she is in right now. I am a single mother, and it is difficult, or rather impossible, for me alone to have my daughter in a private school. My daughter is a very talented girl and she likes school. From the bottom of my heart, I give you sincerest thanks, and may God bless you and all the people who have made a wonderful deed of helping low-income families.”

Any time we talk about the program, we try to put our focus back on the customers, the families that we are actually there helping. It is a very mission-oriented approach, and that is what you see in a lot of the private scholarship programs that are around. And you find the same characteristics in the families that are using publicly funded funds. These are not families that are slamming the public school system. I think one of them referenced that it was a bad public school situation. Most of them just recognize that they do not have the types of opportunities that they would like for their children to have and they are looking for a better environment to place their children in. They are all motivated by different things.

There are a lot of others from which you will hear safety and a lot of the other issues. As a matter of fact, in the Harvard studies, and our particular one in Washington, D.C., and one that they did nationwide for Children’s Scholarship Fund, when you look at the reasons that these families are choosing the schools they do, the top reasons had to do with academic quality, location, discipline and safety of the school. Religious reasons fell underneath all those other reasons.

I think between the national one and Washington, D.C., we had a few that switched position there. But the primary reason that they are choosing these environments, and oftentimes they are faith-based environments, is not particularly for the religious instruction. It has a lot more to do with the current situation they are in and then recognizing that they are not getting a solid education, and they are looking for a better environment for their children.

Of the 1,300 students that the Washington Scholarship Fund currently supports — and it was mentioned earlier, our children are spread out at about 130 different schools; it’s actually 131 — 130 private schools and one public school. We actually have one family that wanted to go to a D.C. public school, a magnet school that has an out-of-boundary tuition option.

This family relocated so that they were outside of the District but still within one of those surrounding counties, and so they were able to use the out-of-boundary tuition option to put their children in — it is called the Duke Ellington School for the Performing Arts. And anybody familiar with D.C. knows that it is one of the top-rated schools and one of the sought-after schools in D.C. But for this family, the only way they could get in was by paying tuition to be there. And so, I always throw that little caveat in, that again it is about empowering the family to make a choice, not just trying to position the public schools

against the private schools.

Our average scholarship last year for K-12 was \$1,545. The average tuition being paid between all the children in all those schools was \$3,816. So, a lot of the opponents often say that the vouchers are too small to make any difference. You heard one lady I am going to go back to — I do not look at it as dysfunctional here; I look at it as disciplined and committed.

One lady was talking about the second job that she works in order to pay the rest of that tuition, to pay the book fees and the other expenses that go along. With that spread and what we provide as a scholarship and what is still there in tuition, which does not include book fees, uniforms and the other things — even our families — the average adjusted gross income is \$22,326. These are the families that we are talking about.

They are still paying out of pocket between \$2,000 and \$3,000, even with the scholarship assistance, in order to be in the environments they are in. When you look at the discretionary income that these families, typically that is about all the discretionary income they have. They are so disciplined and committed to this that they are putting almost their entire discretionary income toward the future of their children.

If you look at the breakdown of our students, it is kind of what is expected and what you see across the country. Sixty-five percent of them end up in parochial schools. We have 17 percent in other Protestant faith-based schools. Seven percent are in independent schools. Eight percent are in other preparatory schools, like those types of schools. And three percent are in Islamic schools. Again, the families are empowered to choose. We get hit a lot because 65 percent of your kids are in Catholic schools. Let me give you another statistic to go with that. Of the 65 percent of our families that choose a parochial school environment, almost 70 percent of them are Baptists. They are going to the schools because the schools — again, go back to what the research has shown us — for academic quality, location, safety and discipline, all above religion. They are going to those schools because these are the schools that haven't abandoned their neighborhoods. They are there. It is the location factor.

We have had many people tell us that they feel welcome in these schools. They feel wanted. It is a self-esteem issue. In the public school system, they are labeled with words like dysfunctional or learning-disabled or all the other words that are out there. When they come into the private schools, they are expected to succeed. We hear this over and over — somebody finally believed in my daughter in my son and their grades start to come up. That is the warm and fuzzy side of it. And I know that these are not the formal, scholarly research sides of it and we love to tell those stories first. But when you look at the research that Robert was talking about earlier, the scholarly side supports exactly what we are seeing from the informal interactions and the informal information that we gather from our families.

When you look at the reading and math scores in the study. We brought some copies. This is the second-year study that covers Dayton, New York and Washington, D.C.” The third-year results that were just released were released in a book. It is a little bit more expensive to distribute so we were not able to bring enough of those for everybody.

When you look at the results that they are finding, our students in Washington, D.C. were scoring above their peers by six percentile points the first year. The second year, they were up to nine percentile points. Our third-year results, again, were full disclosure, especially since I'm in a room full of lawyers — the third-year results for D.C. were inconclusive. One of the reasons that they were inconclusive, which the researchers point to, is D.C., unlike Dayton in New York, we have a blossoming charter school movement that is going on in D.C.

When the studies started, there were only three or four charter schools. Now, 16 percent — and next year they say it will be close to 20 percent of the D.C. population — goes to charter schools. Of our control group in our study, of the students that received scholarships and began going to private schools, 17 percent of them have now been enrolled in charter schools. Of the public school control group — these were students that did not receive a scholarship and remained in the public schools — 24 percent of them are now in a charter school. So, from a research control environment, there were too many of the sample that the researchers lost in order to make those results.

But when you take Washington and Dayton and New York together, again with students of all the same types of background, the same controlled environments, the math and reading scores showed a gain of six national percentile points. For those of you who are not in the education world, and I always ask for this too, it is like what does “six national percentile points” mean? It is about a 20-percent gain in academic achievement over the students that are in public school. These are students, too; not just general students in public school. Each of these studies was done so that these were students in public school that applied for a private school scholarship. They had the same motivations and interests that the scholarship students did. They just weren't selected in the random lottery. So, you have a very equal group of students that are being compared here.

When you look at the academic quality, 56 percent of the private school parents are very satisfied with the academic quality of their schools, compared to 17 percent of the public school parents saying that they were very satisfied. In addition to the testing that went on with the students, there were focus groups and surveys that went on with the parents, so these were all actual surveys from the parents.

Parent involvement — 88 percent of scholarship parents reported discussing experiences at school with their children, while only 64 percent of the public school parents reported doing the same. Fifty-eight percent of scholarship parents reported helping on math and reading not related to homework, compared to only 37 percent of the public schools.

Sixty-five percent of the scholarship parents regularly worked on homework with their children, compared to 52 percent of the public school parents. So the statement of the vouchers and the scholarships are also getting the parents more involved — again, when you listen, it is not dysfunctional. The other adjectives that I shared with you are reflected in this.

The environment — students who attended private schools experienced significantly fewer problems, such as fighting, cheating, property destruction, racial conflict and truancy. Only 32 percent of private school parents reported fighting as a serious problem in their school; 32 percent of private school compared to 63 percent of public school students. Twenty-two percent of private school parents claim that the destruction of school property was a serious problem. Public school parents — 42 percent. Again, the environments that they are looking for, discipline and safety, are reflected in this.

Class sizes — class sizes were not significantly different. But according to the reports, of parents participating in all three of the cities, private schools had on average 172 students fewer, so the average class size in private schools was 20. The average in public schools was 23.

The interesting thing that the researchers did not ask that we kind of talked about was the teacher to student ratios, and not just teachers — it is not always the qualified teacher. A lot of the private schools have a teacher aide that is in the classroom, so you actually have two adults for 20 kids versus one adult for 23 or more kids. New York had some very interesting situations because some of their public schools actually had more than 40 children in a classroom.

Parent-school communication — private school parents were 20 percent more likely to receive a newsletter than public school, which rose only 14 percent.

And the last thing I will share with you, the big parent satisfaction issue, for the Washington program, 81 percent of the parents gave their private school a grade of A or B, compared to only 60 percent of the public school parents. None of the private school parents reported their schools having a D or F, whereas 11 percent of the public school parents did. Again, the parent satisfaction is a key trigger there because when it comes to being more involved in the child's education, the more communication with the school — all those are big factors in what is going on.

So, that gives you a nice snapshot of the families that we are talking about. These are the families that are basically told that you do not have the right to decide where your child is going to go. We are going to decide for you. But even with low-income parents with an average income around \$22,000, they are disciplined and they are functional enough not only to make the decision but to make it work.

**BROTHER SMITH:** I know we are getting close to the end of the afternoon and the program, so I will be very brief in my remarks in order to leave you some time for questions.

If you were anything like me, as you listened to some of the speakers this morning, you had to beat back the urge to get up from your seat, jump on the stage and strangle some of them.

I just kept shaking my head saying, you guys ought to be ashamed of yourselves because either you are pushing and promoting a bunch of misinformation or you are flat-out lying. Whichever it is, they are both wrong because you ought to know better.

I think back to the early 1980s when our country and the rest of the world was being educated by Archbishop Desmond Tutu about the apartheid and the terrible things in South Africa, and how, after many of the people who wanted to keep the status quo could not win on the law, they started attacking him personally. I remember one time watching him on television and, with great emotion, saying, “what is this Tutu-bashing?” And as I sat there this morning, I said to myself — what is this religion bashing, and in particular, this Catholic bashing?

There is a certain Governor Hunt who has famously gone around the country saying that the people being helped in Milwaukee are not, in fact, poor inner-city kids but are these white suburban families. He is flat-out lying and he knows he is lying. He has been told that he is lying. First of all, you have to be a resident of the City of Milwaukee to get a voucher. Second, you have to be 125 percent of the federal poverty level. And third, if those white suburban kids are getting the vouchers, guess who certifies their eligibility? The State Department of Public Instruction.

So, who is telling the truth?

People have to remember that in 1998 when Milwaukee's program to allow religious schools to participate was told by the U.S. Supreme Court that it was constitutional, that our State Department of Public Instruction superintendent got on national news and first of all said “all of us in public education need to take a moment to mourn this tragic decision.” And secondly, “watch now all of the David Koresh and Wiccan schools pop up.” It is four years later; there are no Koresh schools, no Wiccan schools, no devil schools.

This man, by law, was supposed to administer the voucher program. So, any success in Milwaukee has been done against hostility, against great and powerful forces, and against a tremendous amount of money. The People for the American Way made no secret, and in fact made it very public, that they were setting up an office in Milwaukee with one goal: to dismantle the choice program. Before the last election year, the NEA at its national convention had our guy who used to run the White House and his second-in-command speak. And they taxed all of their membership \$5 each for one purpose — to defeat vouchers.

So, against all of this, in Milwaukee we have fought day by day by day. But you look at the growth of our program



from 1990, of 1,500 kids to almost 11,000 today. There is every type of school participating, including, against what some of our earlier speakers said, the Yeshiva School, a Jewish school, the Clara Mohammed School, a Muslim school, and everybody else. The system works. Giving the parents the choice works.

The thing, though, that troubles me, and Cleveland is going to have to deal with it — these guys play for keeps. They are serious, they take no prisoners, and they are not above lying. They start lying on a local level — they do it nationally, and then the whole mob jumps on you. But they will also deal with you locally and one of the things we have fought in Milwaukee is the over-regulation. I heard some question about that being a fear. You know, you would be a fool not to fear people attempting to regulate you, but you would also be a fool to back off of it.

Now, I get amused by these guys. It was no accident when the headmaster earlier spoke up about the Title 1 program and he said we get to pick the teachers. The first thing the panelsit said was, we will sue you. I laughed and I thought, look around the room. You have got 90 percent of the people here who are attorneys; who do you think you are threatening?

But to the headmaster — and these guys know whenever they say lawsuit, people run. Now, there are many heroes to talk about, but Milwaukee succeeded because first of all, it was the business community that stood up and said we have had enough incompetence. One of the business leaders who said because over 50 percent of 100,000 MPS graduates are drop-outs and the less than 50 percent who graduate, graduate with an average grade of a D+, we are raising an army of illiterates. The business community said, that is it. We have helped public schools for years. We will now put our weight toward voucher schools.

The second thing was the Bradley Foundation. You know, this thing about the Catholics and one of the myths was that President Kennedy had a deal with Pope Paul VI to get vouchers through in this country, and they are still proliferating that myth.

The truth of the matter is that if the opponents want to blame anybody for the Catholics being involved, do you know who is responsible? He said his name; John Witte. Back in 1992, John Witte was hired by the Department of Public Instruction to evaluate the choice program in Milwaukee. He called a certain Catholic school in Milwaukee and said I would like to come and visit you.

The school said we are not in the choice program. He said I know but your kids demographically fit the profile. So, John spent two days there and at the end of his visit said, you know, you run a great program; you ought to apply for the choice program. And the school said, well, we are a Catholic school. And John said, but you are on the eligibility list. Now, either he was lying or they wanted a test case. The school applied. A week later, it was accepted, and that same day both major newspapers had headlines, “Messmer Accepted into Choice Program.”

For two years, Messmer fought alone with no help from the Archdiocese. The only help came from the Bradley Foundation. And it was after a visit to the White House that Governor Thompson said I want to write you into my budget. Messmer said, no, do not write us in; write in all religious schools. The Archdiocese still did not become a player. It was the Baptists and the Lutherans, etc. So to say that the Catholics were behind it — no. The Catholics — like we do many times, we come in like the police after the crime is over.

That is what happened in Milwaukee. John Witte was the guy, and I was the person he spoke to. That is how it happened.

Now, I wish I could tell you that yesterday’s ruling will mean that choice will be secure and without interference. It is not going to happen. These folks will not give up. This is too important. It really is not about kids, and that is the tragedy, if there is anything. The first time I wanted to strangle one of these guys this morning was when he implied that Catholics and others would be co-opted because of money, that you are going to go feeding at this public trough. First of all, the public trough does not belong to the man in the moon. That money was put there by all of the people, who have a right to it. But second, to imply that religious schools participate only to get money is highly insulting, but more it is wrong. If you use his own information about the level of the voucher, the voucher does not cover, in Cleveland, the cost of education. Somebody else is subsidizing those 70 or 80 percent non-Catholic kids or others. Those are the people, the alumni — the public. And this has never been about money.

The way we defeated the opponents is because they never talked about kids. They talked about benefits, they talked about separation of church and state, they talked about all kinds of other issues that have nothing to do with people.

The future is going to be a battle. Just five weeks ago, we had a case in Milwaukee where a junior kid, a choice student, honor roll student, had destroyed a textbook. And our policy is that if you destroy the property of our school, you pay for it. Her mother said, she is a choice kid and she does not have to pay for it. We said, oh, no, she has to pay for it. So, she refused; we refused to give her the child’s report card. They called Madison and some young whipper-snapper jumped on our registrar threatening to sue him and left me a very cryptic message on my voicemail, that you had better give her that report card and on and on. I was out of town for about a week, but when I got back, I got the message and said a few things to myself in my office first — and called him and said, young man, number one, do not ever threaten me because if you do that you had better kill me. Number two, don’t you dare try to tell us that if someone destroys our property, choice student or not, that they are not responsible for paying for it. And I said, you yourself in public schools withhold transcripts and diplomas

for a \$5 gym fee, and you are telling me that we cannot require her to replace the book. He replied, well, let me check with my boss. An hour later — oh, we made a mistake; we settled that issue. Yeah, yeah — she's got to replace the book. But do not ever, ever back down from these folks.

The last thing that I'll say — I say it not simply because you are hosting this event — is that one of the true important moments in Milwaukee came when attorneys from the Federalist Society, pro bono, worked to defend individual schools and the schools collectively. For a long time, the opponents of vouchers felt that they could threaten us, that they could push us around, and that we really did not know what we were doing.

When Messmer applied for choice initially, they were right. We had no clue what we were dealing with. We did not know the power of the NEA or People for the American Way. We did not know their tactics. When the Federalist lawyers came in, the game changed. At every moment the opponents went after us, there was someone there to defend us, and that has changed the landscape in Milwaukee — so much so. I suspect the battle will move now to Cleveland. And while the Federalists did not get what I perceive to be the correct amount of due for this battle, know that it has not gone unseen by a number of us. The work of this organization here, Milwaukee, and other places around the country is very valuable. And the fact that now in some of the confirmation hearings, you have people asking. . . have you been. . . were you ever a member of — tells you that you made it.

Thank you very much, and that is the Milwaukee story.

**MR. ENLOW:** On behalf of Leonard, who had to catch his flight to Washington, I want to thank everybody for coming. If you have a few burning questions — it is about five minutes before three — I would like to give you the opportunity to ask questions of the panel but I know it is getting late and many folks have to travel. I want to thank everybody for coming to Indianapolis. The Federalist Society is very grateful. And I would like to thank our panelists.

If you have got some questions, we will take them very quickly or we will adjourn.

**AUDIENCE PARTICIPANT:** I am not a member of the Federalist Society, and you might want to strangle them, but I want to thank the Federalist Society for inviting the panelists they invited. It was extremely helpful to me to hear what they had to say. Without them there, I think this really would not have been as impressive a performance.

**SPEAKER:** Thank you. We are the Federalist Society for Law and Public Policy Studies. That is why we try to bring all the viewpoints here and get the issues out on the table, so we can have a really strong intellectual debate about it.

I thank all of you for coming, and hope to have you all back here in Indianapolis sometime again soon for one of our programs.

Thank you.

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