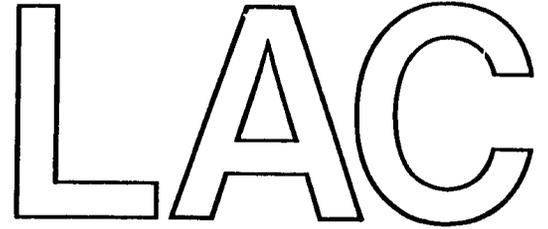


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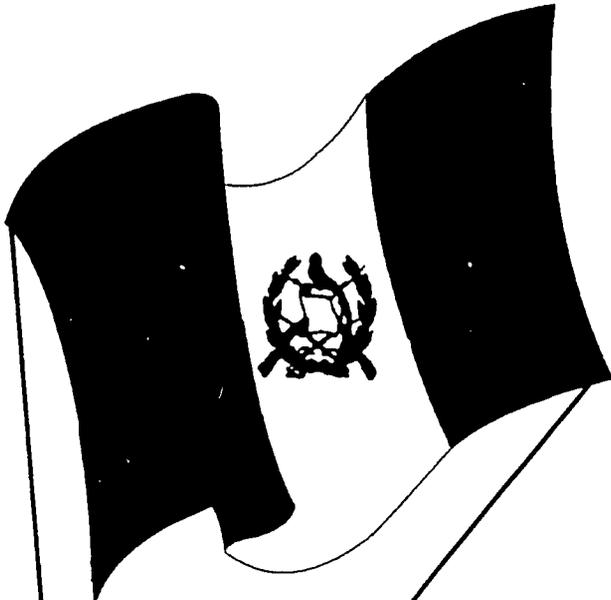
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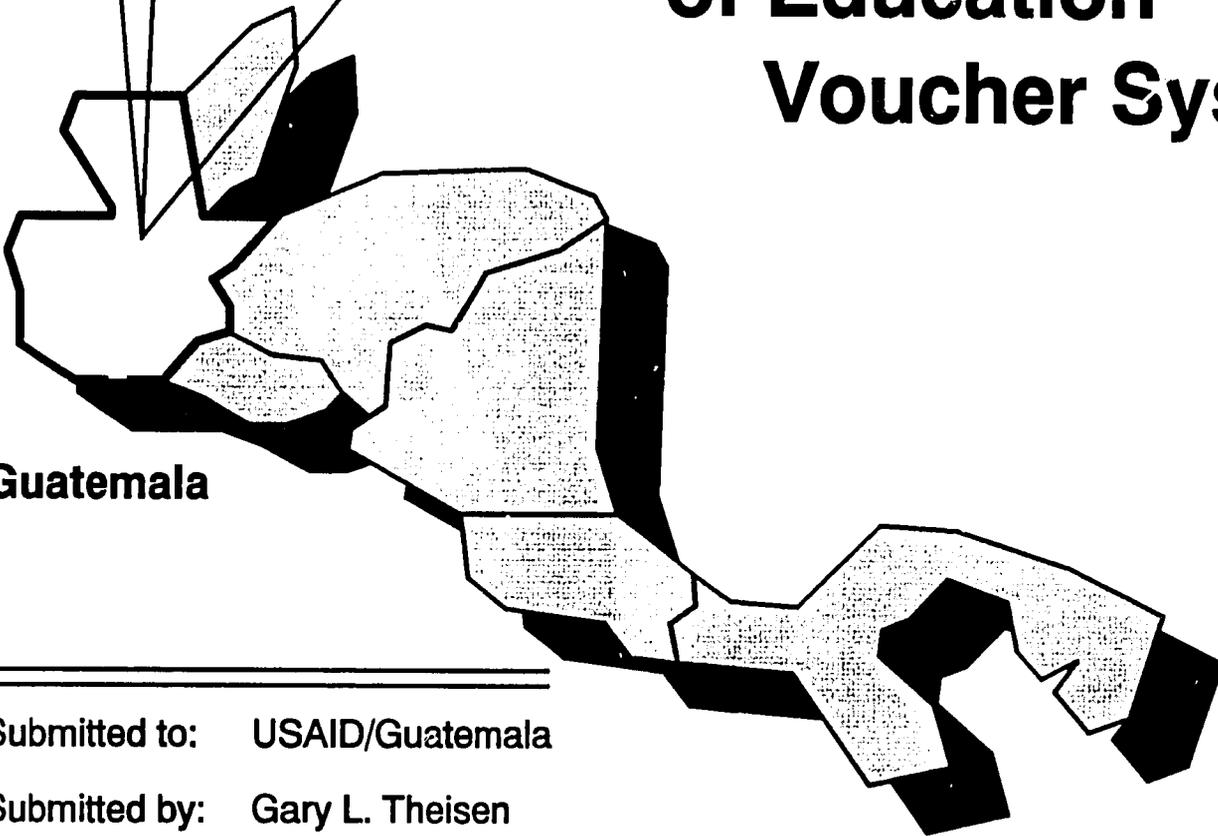
EVALUATION OF EDUCATION VOUCHER SYSTEMS

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Evaluation of Education Voucher Systems



Guatemala

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PREFACE

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Although Gary Theisen and Sheila Watkins were the primary authors of Sections I, II, III, and V, and Maria Infante of Section IV, all participated in the discussions leading to the formulation of recommendations and conclusions. We alone are responsible for errors and omissions.

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I. OVERVIEW OF VOUCHER SYSTEMS

A. Types of Programs

The last two decades of educational change and reform have been characterized by a number of exciting experiments designed to improve the access to and quality of educational services. The use of educational vouchers has been one of the prominent areas of experimentation during this period. The impetus for reform has centered on several primary concerns about national and local educational systems:

Access: In many countries, educational enrollment at the primary level is less than 75% of the eligible cohort. In the primarily low-income countries, access is defined as the opportunity to attend school. However, in more advanced countries, access is also defined as having equal opportunity to attend schools of quality. Wide variation in educational services exists within countries as well as between them.

Efficiency: Educational leaders are increasingly concerned about the effective implementation of scarce resources. Many school systems are characterized by high rates of dropout, teacher absenteeism, and poor achievement levels. There is a growing recognition that it is not sufficient merely to offer students physical facilities in which to study, but that what goes on in those facilities is of utmost importance.

Finance: The educational systems in most countries are centrally managed and financed. This places great fiscal as well as managerial responsibilities upon government bureaucrats who are frequently overworked, insufficiently trained, and too far removed from actual educational operations to provide the sensitive stewardship required to produce quality students. The demand for greater access to quality schooling places increasing pressure upon government officials and political leaders to provide the resources necessary to maintain and improve educational systems. There is a growing recognition that revenue generation must be a responsibility shared by local communities and the private sector.

Accountability: As the educational levels of populations rise, so do the demands by these individuals for the provision of better services, increased say in what those services should be, and how they will be evaluated. The press for greater accountability of resources comes both from the local level where individual parents and educational officials want to exercise greater leadership and choice in the development of their educational systems, and from the central level where there is a desire to shift the burden of management and fiscal responsibility to local populations. Increased accountability in educational systems is a natural by-product of the decentralization movement.

The concept of educational vouchers is not a new one. Educational vouchers in their simplest form represent a "promissory note" by the issuing body for the provision of a basic

amount of educational services equal to the value of that voucher. As simple as the concept is, however, vouchers have taken many different forms and have been created for a variety of different political, economic, social and education reasons. A brief review of these variations is essential to understanding the possibility of applying the voucher concept in a particular country.

All successful vouchers systems are predicated on the following five assumptions:

- There exists more than one supplier of the educational services required. Multiple suppliers may take the form of several public educational systems or institutions in a given area or may take the form of private alternatives to public education.
- There are no barriers to entrance into alternative educational systems on the basis of ascriptive characteristics such as race, gender, socio-economic status. Demonstrated academic ability has traditionally been supported as a legitimate criterion for denying children access to certain schools.
- One set of educational services can substitute for another without being overly hindered by regulations, transportation, and other possible inhibiting variables. The underlying assumption of voucher systems is that people have freedom of choice and access to schools as long as they have the ability to pay for those services.
- Implicit in voucher systems is the assumption that the creation of educational options does not have a negative effect on other people. That is, the creation of new educational opportunities for those who want to take advantage of them will not occur at the educational expense of others who deliver these services.
- Educated consumers are the fundamental building block of an effective voucher system. Quality of choice, whether it be in the purchase of a television set or in the education of a child, depends upon the quality of information used to establish performance criteria. Educated, informed consumers are more likely to exercise sound judgment in the use of their resources than are consumers who are not familiar with the product they are purchasing.

Voucher systems in their purest form are a manifestation of market economies. The free market view of public education is based on a simple theory: if schools are forced to compete for students, schools will, by necessity, improve or go out of business. Under voucher systems, parents, as newly empowered consumers, are able to choose among educational products and services just as freely and purposefully as they choose among products at the grocery store.

Empowering parents to select the school that their child will attend is an important, innovative strategy for three reasons:

- Proponents argue that when children attend schools that their parents have deliberately chosen, they tend to work harder and consequently learn more.
- Learning environments that do not produce satisfactory results or that are not congruent with parental norms and values will result in a decline in enrollment--parents will exercise their choice and send their children to educational institutions that are perceived to be "better."
- The overall quality of educational institutions will improve because of the power of the marketplace--good schools will end up with more students, and resources, while schools that are less popular (effective) will either have to change (and thereby improve) or go out of business.

Voucher systems are inherently attractive to parents and educational policy makers because they reinforce the primary role of parents in shaping education. Many school practitioners have also embraced the voucher idea because it is congruent with the movement to decentralize educational systems. As more autonomy in both the generation and utilization of fiscal resources is given to local educational practitioners, it follows that those same individuals and the consumers of their services (parents of school-age children) should be able to offer alternatives to traditional, centrally-defined educational systems. In complex societies where aspirations, cultural differences, and variations in learning style predominate, it appears to be a pedagogically sound policy to create schools and operating principles within schools that are matched to the needs of differences, strengths and preferences among children.

As our assumptions change about the homogeneity of children, so do our perceptions about assigning children to schools where uniformity is dictated by central educational bodies. A striking development in recent years has been the recognition that not only can **private** schools offer varieties of educational services, but that greater differentiation can be achieved within the **public** school system as well. The dilemma facing educators and parents has been how to achieve greater pluralism while, at the same time, not diminishing schooling effectiveness or exacerbating conditions of equity among the population.

B. Objectives of Different Programs

Although the generic definition of voucher systems focuses on choice, voucher experiments have taken on many different forms in order to realize other objectives as well. A brief review of some of these variations is essential to establishing a common vocabulary and perspective when discussing the applicability/transferability of voucher programs.

1. Equity

One of the motivations for the adoption by communities of the voucher system in the United States focuses on inequities in the provision of educational services to children. In the United States, systems are community-based, meaning that community resources in support of education are tied to the tax base of the local community. Since communities vary substantially in their average socio-economic status, the resources available to schools vary correspondingly. Federal aid to education has increased from 2% to only 10% over the last 100 years. Many states have implemented resource reallocation formulas that redistribute state tax-generated revenues to the most needy of local school districts. However, the fact remains that resource inequity is one of the most prevalent problems facing educational systems in disadvantaged areas.

Under some formulations of the voucher system, educational "chits" equivalent to the average per-pupil expenditure in a given area are given to parents for expenditure at a "certified" educational establishment. Certified schools usually include those that have conformed to state accreditation standards. The value of the standardized "chits" depends upon the geographic area for which the mean value of the voucher is calculated. Thus, in communities where the variation in per-pupil expenditure varies considerably within a school district, vouchers may be particularly effective in equalizing access to resources if the value of the voucher represents a mean unit cost for a particular area. If the value of the voucher is calculated to be the average expenditure per pupil and two or more districts vary substantially in their revenue-generating capability, the effect of implementing a voucher system would increase substantially the resources available to the poorest communities, while reducing per-pupil resources in the wealthiest communities.

The effect of vouchers in bringing about greater equity is of course a function of whether or not additional resources beyond those provided by the school system itself can be added privately by parents or other groups. Some have argued that voucher systems encourage parents to supplement the vouchers provided by the school system parents may purchase educational services from more expensive, elite educational institutions. Critics argue that the net result is not only a preservation of the status quo but a net increase in the cost of educational services provided to communities.

2. Choice

Proponents of the voucher system frequently base their support for reform on the contention that education in a "free market" environment offers both parents and students greater choice in the educational services they wish to purchase. Centrally-managed educational systems are, for the most part, monopolistic. With the exception of a few private schools, public institutions of education conform to a common set of curricula and performance standards.

Advocates for voucher systems maintain that the most effective educational systems are those which are able to respond to the needs of the local community, the norms and values of parents, and the aspirations of the individual students. For example, some parents and students prefer an educational orientation that emphasizes a liberal arts curriculum as early as the upper primary school. Others prefer a curriculum that is more science-oriented; others may prefer an athletic emphasis. Proponents of the free market system argue that in the absence of a state monopoly on the provision of educational services, educational leaders will create schools that correspond or reflect the academic interests and standards of a community. They argue that those schools which are not responsive to social demands and those schools which do not provide services which meet the standards and expectations of the consumer, will quickly go out of business. This point of view prompts the analogy of consumers shopping for an automobile. In exercising their power to purchase or reject a specific car, they shape the form and quality of subsequent goods and services supplied by the manufacturer. When parents have the ability to control how educational resources will be spent, providers of educational services will compete with each other in terms of cost, content and quality of the services provided in an attempt to establish supremacy in a competitive market. In an open educational market, not only will the quality of goods and services improve, but the variation of those services will better reflect the needs of the marketplace and the demands of the consumer.

3. Local Control

The choice value discussed earlier as a key element of some voucher schemes, implies that parents and local taxpayers should decide on the level of local school funding and perhaps also on the content that those systems offer. Local choice, by definition, militates against the management of educational services by centrally-run bureaucracies. The more decentralized is choice and funding, the greater is the propensity for parents and local school administrators to hold the implementors of educational services accountable for their actions.

Accountability takes the form of monitoring achievement tests, establishing salary schedules, voting on bond issues that would provide additional resources to schools, and serving on elected school boards. Voucher systems have included a variety of mixtures of federal, state and local policy-making and accountability. Most voucher systems advocate adherence to at least state standards of performance for schools. However, because of the educational diversity of the programs created by some voucher systems, certification of competency and educational achievement rests with local education officials and, ultimately, with parents who control the resources that dictate the interplay of educational services and demand.

The logic of the free market system as applied to local control and accountability suggests that by empowering parents and local educational officials, better educational services will be provided at less cost. By placing control of educational services and the distribution of resources in the community, as opposed to in a distant bureaucracy in the state capital, parents are able to directly influence services to which they have access. Implied in the

concept of local control, of course, is free and unequivocal access to information surrounding the costs and performance of the educational institutions which are being governed.

TABLE 1

"Ideal" Systems and Relation to Educational Goals

	Choice	Quality	Equity	Efficiency
Open Markets	Multiple Providers	Informed Consumers	Minimum Resources	Cost-effective; monitoring as a private burden
State Systems	Monopolistic	Limited ability to impose sanctions	Restricted diversity; political control	Higher unit cycle costs with no competition

Some voucher experiments have focused on the accomplishment of more than one of the objectives above. Some have been inspired by a single purpose. A few voucher systems have been successful (at least in the United States) at fully accomplishing the purposes for which they were designed. It is worth reiterating at this point, however, that when the applicability/transferability of voucher systems are discussed attention must be focused on the specific objectives that are the motivating force for change. As with all social experiments, vouchers have distinctive costs and benefits attached to the pursuit of each of the major objectives defined above.

C. Major Sites/Initiatives to Date

Voucher systems have received their principle test in the United States. To date, more than 20 states have adopted or are considering legislation to give parents more choice among schools. The largest effort to date is currently being implemented in Minnesota. The state is in the second year of phasing in a program in which by the end of the current school year, all 435 districts in the state will be required to participate. The Minnesota model is by many standards, a conservative approach to enhancing freedom of educational choice. Students are not given a cash voucher equivalent to a year of education in the public school system, but rather are given permission to enroll in a school of their choice. If students choose to cross district lines, they are responsible for transportation. Because the program has just recently been implemented, it is difficult to measure the effectiveness of the change.

However, of the 716,000 public school students in the state, only 435 applied to change educational districts in the past year. Proponents argue that the migration of students from weaker schools to stronger ones will enhance the students' academic performance. Critics argue, however, that the transfer of students not only lessens the amount of state funds that accrue to a given district but it also reduces the revenue generated by the local community, since in the face of declining enrollments, they are less likely to increase property taxes to offset the state losses and they are unmotivated to pass new bond issues that would help to create new funds.

In New York City's Harlem, a voucher choice program has allowed residents, most of whom are low-income minority families, to choose among 23 different schools. As part of the localization initiative attached to this program, school directors and teachers have been given much greater autonomy in the hiring of new faculty members, the governance and establishment of course schedules, and in the design of programs. Parents are able to choose among schools that specialize in different areas, for example, performing arts, math and science. The Harlem voucher program was instituted fourteen years ago. At that time, students in the district ranked last in reading and math scores among New York's 32 districts. They now rank about 16th.

Despite some modest evidence of success, school choice has not fared well when parents have been given the chance to vote for them.

Catterall's (1984) survey found, according to Gallup polls, that support for vouchers rose from 40% in favor during the late 1970's to 51% in favor at the 1983 peak. But in those states holding referenda, voters opposing tuition tax credit initiative rose from 59% to 65% during roughly the same time period.¹

One of the basic outcomes of most voucher systems is that the decision on where to attend school is shifted from the school system to the parent or the child. Although 20 systems have experimented with voucher systems to date, only 8 states have enacted forms of inter-district, open enrollment programs. The policy is increasing in popularity and is receiving attention by both political parties. The financing of public school choice proposals has received little attention in the professional literature. In the United States, most of the funding issues are focused on the decentralized nature of US school systems--how much money will the student carry with him in attending a school outside of his or her district of residence?

The key problem in most US experiments concerns the mismatch between district-based funding structures and school-based attendance policies. Some educational finance

¹ J.S. Catterall, "Politics and Aid to Private Schools". Educational Evaluation and Policy Analysis, 6, (4), pp. 35-40.

experts have argued that the best way to achieve financial equity using voucher systems is to provide districts (and schools within them) with revenue needed to deliver a quality, base education program. These revenues would come from the federal government (in the case of non-US school systems) or from the state level in the United States example. Educational districts would then be prohibited from spending resources above this base amount. Schools could enact a tax based on parental income. This formula would attach a "price" to the decision to attend a particular school, especially those in better areas. Thus, parents of all children attending a particular school would be subject to an income tax surcharge that could bolster the resources available to the educational system. Variations on this fiscal theme could be enacted whether to strengthen freedom of public school choice, or as a mechanism to get additional private or individual revenues into the public school system. The funding formula could be established in such a way as to best mesh with the objectives of the system.

II. COSTS AND BENEFITS OF VOUCHER SYSTEMS

A. Impact on decentralization

Decentralization of educational systems is sometimes viewed by analysts as a process which makes educational systems more directly responsible to the constituencies that they serve. But, indirectly, it also fosters greater participation by parents in the schooling of their children.

Decentralization through voucher systems can lead to a more client-oriented pedagogical process. When the major stakeholders in educational systems are parents and the same individuals also hold power to "buy" educational services, both central and local educational officials must be responsive to the economic power wielded by the major stakeholders. At the local level, educational managers and teachers continue to work for the educational system but now are held accountable to parents via their power to send children to the educational institutions of their choice.

The implementation of a voucher system does not, of course, imply that central educational agencies must be disbanded. But it does change the nature of their functions and the type of relationships they establish with local educational officials. Central education offices under voucher systems, or under any system which is highly decentralized, frequently serve as central management information agencies, resource centers, providers of management information services and, perhaps most importantly, serve as accrediting agencies and oversight bodies related to the maintenance of academic norms and standards.

Decentralization is frequently associated with "bottom-up reform". Decentralizing educational systems shifts authority from central levels to districts and to schools. The potential for improved performance resulting from on-site management exists. However, the quality of educational services is largely a function of the quality of management and existent human resources capabilities that are harnessed to the educational task. Decentralization does not necessarily lead to improved quality of education. It does provide the opportunity for greater, more intimate awareness of educational problems by authorities who are responsible for ensuring the quality of educational services. When the remuneration for educational services is entrusted to local educational officials or citizen advisory groups who have firsthand knowledge of the quality of those services, accountability is likely to be stronger with the result that enforcement of standards will produce higher quality learning.

Decentralization necessitates changing the behavior and functions of school administrators. When accountability is shifted to the local level, principals, local educational officials, and community leaders must assume greater responsibility for enforcing standards, and must be actively engaged in sanctioning both positive and negative performances.

Decentralization of educational services usually involves a fundamental shift in the balance of power among individuals who have vested interests in the process. Decentralization localizes power. It also makes examples of failure more tangible, both in terms of aggregate school and individual performance, but is sometimes seen as fostering discord among educators who are held to common benchmarks of performance. For example, teachers in East Hartford, Connecticut voted against the adoption of a voucher system that was promoted by their superintendent because they feared the possibility of competing against each other in an open market situation. The potential loss of their jobs outweighed advantages of localizing control of their educational systems. Because voucher systems empower parents, the potential exists for conflict between them and the traditional managers of educational systems -- principals and teachers.

Proponents of decentralization schemes have argued that local control is associated with increased innovation both in management and in classroom performance. Evidence supporting this contention is mixed at best. There is evidence from the business community that open markets increase innovation, responsiveness to consumer demands and risk-taking. However, one could argue that as authority over educational processes move from professionally-based experience to lay-based experience (from professional educators to the public) there would be less motivation to innovate and to engage in non-traditional teacher behavior for fear of not having the support of parents.

Increasing the autonomy of local educational systems inevitably raises the question of responsibility and accountability. Who will set the performance standards by which accountability will be measured? Whose values will determine what those standards should be? Who is best able to actually determine if those standards are being met and to what extent they are in the best long-term interests of the children in the school?

Measuring and enforcing standards of performance is a tricky business even under the best, and most controlled of circumstances. Under the purest form of voucher systems parents also control the educational orientation of the schools and since, via the power of their purse, they indirectly decide whether those orientations are being addressed and whether the performance meets acceptable standards, it follows that they must have available to them information upon which they can make their informed decisions. Who will gather that information? How will it be presented? How well will it be understood by the consumers? And how aggressively will the consumers pursue the information available to them and act on it in a rational manner? These issues are not unique to educational voucher systems -- they apply to all market-oriented decision making. In any free market system, however, the quality of the effort to decentralize and to hold people accountable rests heavily upon the capabilities and commitment of local populations.

B. Expansion of Choice

The exercise of choice, whether it be in a political arena or an educational one, is a value which is highly regarded in some social contexts. It is also a value which has

incumbent upon it the gravity of responsibility for invoking wisdom, rationality, and perspective in its exercise. In some social contexts, the concept of choice brings to the forefront of discussion the debate between the priority of national consensus and the importance of cultural diversity. "Is unity the result of uniformity or the integration of diversity? Is a common culture achieved by eliminating all variety or by treasuring it within a broad context that revels in diversity?"²

The debate over choice also raises the question of balance between the importance attached to achieving equity in the society versus the social, cultural and economic benefits of pluralism. Voucher systems facilitate educational choice. But, they also enable educational diversity, with the possibility that diversity will lead to greater inequity. Placing administrative or other legal controls on free market systems by definition contravenes the fundamental principle upon which voucher systems are created and upon which free market systems operate. Thus, as with most social phenomena, the issue of choice in the educational arena is not an either/or proposition but rather the placement of a system or process along a continuum of possibilities.

As noted earlier in this paper, free market systems are based on the fundamental assumption that consumers make rational decisions that are also well informed. In a free market system all consumers have equal access to knowledge and information and are able to act upon that information in an unfettered way. In reality, few systems are this perfect. Especially in developing countries where large variations in educational achievement levels by parents and substantial differences in the cultural and pedagogical knowledge of the consumers exist, the possibility that all citizens will be equally informed and thus equally empowered to act upon their free choice is doubtful. The unrestricted implementation of choice is further complicated when ethnic diversity and cultural variations in value structures overlay decision making. In the most basic form of voucher systems in which more equitable resource reallocation is the primary objective, parents must be empowered to make wise choices in their evaluation of educational opportunities. Even among the proponents of citizen empowerment, however, there is disagreement over whether choice is a liberating or an inhibiting factor in making wiser educational decisions. Paulo Freire, for example, argues that individual choice is essential to the definition of educational systems that are meaningful and relevant to the average citizen. Thomas Jefferson, a strong advocate of public education and an advocate of non-elitist control over educational systems, advocated not giving parents choice. He reasoned that choice would inevitably lead to differentiation of educational services and a reinforcement of inequities among citizens.

Educators have expressed serious concern about the potential impact of voucher systems that give greater freedom of choice to parents concerning the education of their children. The following are among the issues raised:

² Lindelow, pg. 50

- Do parents desire to take more direct control of their children's education, even assuming that they are capable of doing so?
- Will parents be misled by false or "glitzy" advertising about the capabilities of schools and instructors? (Are parents able to discriminate among the characteristics of individual schools any more than the average person is able to distinguish between the characteristics of high-fidelity stereo components?)
- Will parents choose curricula that appeal to them on an emotional basis or on a pedagogical basis?
- Can parents effectively distinguish between the short-term satisfactions provided by certain forms of schooling and the long-term benefits that are associated with other types of educational programs?

Advocates of greater choice in the educational process argue that parents are the best decision-makers in selecting educational opportunities for their children because they know the psychological dispositions and abilities of their children better than anyone else. Others argue that parents must at least be given enough information so that they can become effective advocates of better educational systems and so that they can work together with other interested constituencies to improve the quality of educational services.

The fundamental issues surrounding expansion of parental choice in the purchase of their children's education is whether the voucher system is the best way to guarantee that educational services can be matched to the proclivities and abilities of students. Can schools which are established on the basis of diversity in academic preferences and pedagogical style also maintain and develop a common set of community norms and values? Can the flexibility that accompanies educational choice be achieved without a sacrifice in the efficiency of schools? Can pluralism, both of interests and cultures, be achieved without damaging the pursuit of relative equity among peoples?

C. Implications for Accountability

One of the dominant ideas in educational circles for the past several decades has been the attempt to insulate school governance from conventional politics and parties; to shift the management of school systems from the care of ordinary politicians responsible for the general administration of government to informed practitioners and educational experts. As a result, in many educational systems, two parallel tracks of educational governance have emerged: political, with responsibility for managing centrally-located funds and the appointment of senior education officials; and apolitical laymen, teachers, managers, and pedagogical leaders. In highly centralized educational systems, responsibility for the proper use of fiscal resources and the maintenance of cultural norms and values via the education and socialization process lies with political leadership. As pressure mounts on these officials to relinquish some of their control, to mollify their constituents' demands for more choice,

to address the obvious need for improved quality and responsiveness of educational programs, they are engaged in a conflict over their constitutional duties and the press of popular demand. The need for autonomy goes hand in hand with the need for accountability.

The issues facing **advocates** of vouchers systems include the following:

- At what level will accountability be enforced--state, district, local, or school? Who will enforce those standards and how will these individuals be empowered? Who will these individuals be responsible to?
- Whose standards shall prevail and on what basis will they be deemed legitimate?
- Are incentives required to ensure that standards of performance are met? On what basis will these incentives be awarded?
- Will all schools/school systems be held accountable to the same standards? If not, how will measures of performance be established?
- How will indicators of accountability and performance be transmitted to potential consumers -ie, interested parents? Will the dissemination of this information be required to conform to certain standards of delivery and validity?

The shift to a voucher system has important implications for accountability. Not only will standards of performance become more concrete and probably more empirically based, but strategies for communicating accountability-associated indicators become increasingly important. Accountability is a valuable process as long as it is consistent, objective and based on indicators that are actually meaningful to the overall objectives of the educational system.

D. Equity Tradeoffs

As consumers, parents make rational choices on the basis of criteria which, in and of themselves, are quite irrational. For example, all of us make choices based on our value systems which are governed in part by our race, class, religion, intellectual philosophy, place of birth and socio-economic status. Many of the decisions that are rooted in these value systems serve also to perpetuate segregation based on those various characteristics. Conflict theorists have long held the view that formal education systems serve as a barrier to social mobility rather than as a vehicle of it. Educational systems, so say these theorists, are rooted in the culture, values and norms of a society's ruling elite. The educational system reflects these norms and values and thereby produces individuals who subscribe to the tenets that underwrite the legitimacy of the status quo. Schooling is thus seen as an institution that

perpetuates rather than eliminates distinctions based on social class for example.

Functional theorists argue that, quite to the contrary, education **does** serve as a vehicle of social mobility. Because education is functionally related to the possession of skills and other characteristics that are highly valued by societies, inequality that is based in part on educational credentialism is not only necessary, but it is just. Functional theorists argue that access to education is the key to ultimate social status and greater equity among peoples. Conflict theorists argue that the wealthy will continue to have both educational and other advantages regardless of how the formal educational system is structured.

These competing points of view raise a number of problematic questions that bear on the efficacy of voucher programs:

- Do voucher systems equalize access to educational resources? And, if they do, will they contribute to greater overall social equity?
- Will the use of vouchers equalize the distribution of educational resources in a given school district or at some larger level of aggregation? If the latter, how will this be accomplished?
- How is equity defined in terms of access to resources-- access to the same level of resources? or to achievement resulting from the utilization of these resources?
- Does the system limit or encourage the use of additional private resources to subsidize the schools?
- Does the voucher system apply equally to both public and private institutions of education? Are payments made directly to clients or to educational institutions?

E. Quality and Efficiency

Although quality and efficiency are frequently correlated in the provision of educational services, they do not mean the same thing. Quality refers to how well desired objectives are achieved as a result of the implementation of educational policies. Efficiency refers to the cost and speed with which those results are achieved. Systems that are of high quality are not necessarily efficient; some of them are extremely expensive and slow. Cost-efficient systems may have a high rate of output, but the output may be of low quality. For example, schools that have very low unit cycle costs may also be producing students with very low achievement levels. The optimal educational system is one which is both high quality and efficient, or, given social and economic realities, one which maximizes the balance between these two variables.

Efficiency is of special interest to voucher systems. In free market settings, efficiency is usually threatened when there are large transaction or implementation costs associated with the provision of goods and services. Educational bureaucracies can be considered efficient if the cost of coordination, control and program implementation is less than if private vendors performed the same services for them. Inefficiencies are most generally created when a) there is no clear understanding about the relationship between the inputs and outputs of a process and b) when contracting, implementation, or monitoring services that must be implemented are of very high cost and/or are extremely complex.

Formal educational systems, unfortunately, contain both the previous two elements. Although the last twenty years of research have begun to establish a clear understanding of the production-function characteristics of educational systems, we still lack a clear understanding about how specific inputs are related to specific outputs. Because educational systems are a public good, and are important to the general welfare of the state, both the content and the structure of formal schooling are closely monitored. It is hard to envision a free market educational system that would not have standards of performance or accreditation or control attached to them.

Public sector educational bureaucracies are monopolistic institutions. They are slow to respond to market forces of supply and demand, have protective, paternalistic employment policies governing civil servants, and generally pay teachers approximately 20% more than their private sector counterparts.

In order for private schools, or open-market system schools, to compete for qualified teachers, previously accepted teacher salary schedules will have to be revised or eliminated in order to ensure that all schools can compete for quality teachers on the basis of salaries that are graduated according to performance, not just seniority. Changing the basis for rewards may jeopardize the financial and job security heretofore afforded to teachers under national civil services systems. Loss of security may be accompanied by growth of teacher unions and collective bargaining. Thus, although the resulting system may be more efficient and may yield higher quality education, the greater autonomy given to local educational officials may also produce greater variation in quality and performance, and may shift authority away from bureaucrats to professional and local groups.

Among the issues raised in the provision of efficient educational services of high quality in a decentralized system are the following:

- Do effective measures of quality and efficiency really exist? If so, how valid are they as indicators of objectives of the educational system? If not, who will determine these measures and how will they be implemented?
- What costs will be associated with effective monitoring in the public sector? In the private sector? Can greater choice, quality and efficiency be achieved in the public sector by the provision of private services?

- Is there sufficient freedom within the private sector to innovate and create alternatives to current educational institutions that might improve quality and efficiency?
- Are teachers and administrators ready to be accountable to increasingly rigid performance criteria?

F. Fiscal Implications and Cost Effectiveness

The fiscal implications of voucher systems depend on the fiscal capacity equalization role that the voucher system is expected to play. In highly centralized systems where there are few regional or district disparities in the amount of resources expended on a per capita basis for education, a voucher system will have little fiscal impact. If the system in question however, bases most of its revenue generation on the capability of local districts or regions to pay for schooling in that particular area, the potential equalization impact of vouchers can be very strong. Some districts, for example, have a large per-pupil property tax base and can raise large amounts of revenue with low tax rates. Other districts have small per-pupil property tax bases and are able to raise only small amounts of revenues per pupil, even with high tax rates. By standardizing per-pupil resources available to parents, voucher systems can reduce fiscal inequities in these systems.

The fiscal question is very closely tied to the equity issue, and both are dependent on how a state interprets the choice question. For example, under the discussion of equity, one can argue that since education is a state function, public schooling should be provided to all students throughout a region on an equal basis, perhaps with adjustments made for special students and districts with special needs. The role of the local government is thus to ensure that spending per pupil is equal across all districts. The choice value discussed earlier is premised on the argument that local parents and tax payers should decide on the level of local school spending. Implicit in this interpretation of funding is that local choice proponents accept differences in spending per child as long as it is determined by local choice on tax rate levels and not by wealth advantages.

The data on cost effectiveness of schooling tell a mixed, incomplete story. There is a general consensus that resources invested in public education in the United States increased approximately 25% in real terms in the 1980s. But, this fact is also accompanied by the belief that achievement levels went up much less than did expenditures. The most up-to-date summary of the cost-effectiveness of schooling clearly points to the strong positive impact of decentralized, local control of schooling on student performance.

When all else is average-average student achievement and behavior problems, average parent SES and school contacts, average school size- school subject to market control tend to have highly effective organizations while schools subject to direct democratic control have organizations that are merely

average.³

Clear academic goals, strong educational leadership, professionalized teaching, ambitious academic programs, teamlike organizations- these effective school characteristics are promoted much more successfully by market control than by direct democratic control. The kinds of qualities that contemporary school reformers would like public schools to develop, private schools have developed ;without external reform at all. Bureaucratic autonomy and effective school organization are natural products of the basic institutional forces at work on schools in a marketplace. They are products of school competition and parental choice.⁴

Some estimates of the cost of implementing a voucher system have been established. One set of data projects a 10 to 15% increase in government expenditures required to implement and monitor a voucher system. This is in addition to an increased annual per capita cost to educate each child. Other consultant studies have shown that after an initial five-year period of high start-up costs, the recurrent budgets required to maintain a voucher system are only slightly different from a more traditional system. Others have estimated that the price for diversifying the school system through a voucher system is a 10 to 20 % increase in costs such as teacher salaries, buildings, etc. Indirect costs associated with planning the formation of political action groups and the creation of information centers to educate parents must be added to the total bill.

Vouchers are attractive to city officials for at least two reasons:

- Since vouchers reflect supply and demand conditions, the price of educational services and quality hypothetically fall in line with the revenue local citizens are willing to generate for educational purposes. By shifting the burden of choice from the public sector to the private sector, individual citizens assume fiscal responsibility for their own preferences.
- Since private schools operate on annual revenues of an average of about 74% of those of public schools, vouchers make basic schooling less expensive, especially if all resources could be provided by the state. (This assumes that under an open-market system all schools would be "private.")

³ John Chubb and Terry Moe, Politics Markets & America's Schools. Wash. D.C.: Brookings Institution, 1990. pg. 181.

⁴ Ibid. pg. 182.

G. School and Community Impact

Few public services receive more attention and scrutiny than do a nation's schools. A central issue in every discussion of the potential impact of voucher systems on the school and community is the effect of localizing control and choice. **Opponents** of the voucher system offer several valid criticisms of a highly localized, open-market educational services:

- Voucher systems in democratic and diverse societies will lead to divisions along cultural and economic lines. The result will be a strengthening of independence and choice but at the expense of the public weal and common purpose;
- The purpose of schooling is to promote a sense of the public good and the civic community, not private interests;
- Increased parental choice hastens the disappearance of "neighborhood schools" as parents go outside the local community to purchase education for their children;
- A supply-oriented system shifts the burden of improving schools away from parents to the suppliers of educational services who both define and satisfy the demand for educational products.

The **proponents** of decentralized procedures such as voucher systems, acknowledge these possibilities but stress the benefits which can accrue to the exercise of choice, including the following:

- Parental/Community control of educational resources promotes greater responsiveness of the educational system to community values, and skill needs;
- Competition among schools for services increases both the variability of programs offered and increases the quality of them;
- Access to schools of choice, regardless of their location or public vs. private status, diminishes segregation by neighborhood (ie. wealth) and contributes to the equalization of educational resources for all racial, ethnic and social class groups;
- The increased scrutiny to which schools are put as a result of the competition for students results in greater community awareness of and involvement in the structure and performance of schools and the personnel who staff them.

As noted throughout this paper, the issues associated with voucher systems are easier

to present than are clear research findings that support one side or the other of a particular issue. Ultimately, rational evaluations of voucher systems must be linked to the primary objective they are meant to accomplish. Vouchers can have multiple objectives, but for each benefit gained, certain costs are attached. In some cases for example, the cost is measured in terms of the creation of a better informed, more active citizenry, in others by improved monitoring and evaluation procedures. Voucher systems can be designed as complex, unregulated mechanisms that ensure uniform educational subsidies to all who qualify and which entrust implementation to free market mechanisms and responsible consumers. Voucher systems can also be set up for a single purpose such as guaranteeing all eligible students access to the minimum amount of resources necessary to attend school- in many cases public schools that retain all the centralized monitoring and accountability functions characteristic of most non-voucher systems. The question that education leaders face is what elements to include in their version of a voucher system and how much control they wish to attach to each of those elements. An example of this matrix of issues is discussed in the following section.

III. SUMMARY OF EFFECTS OF "FREE-MARKET" EDUCATIONAL SYSTEMS

A. Matrix of Issues and Effects

During our discussion of vouchers several variables have been identified that separate one system from another. Among those variables are the value of vouchers, admissions criteria at schools, the dissemination of information about schools and programs, means of enforcing standards, and accountability. We have also indicated that voucher systems vary not only by the content or extent of their objectives, but that they differ also in terms of the amount of control that is applied to the implementation of the programs. The following table summarizes some of these interactions.

Table 2
Matrix of Program Elements and Levels of Control

Level of Control	Value of Voucher	Admissions	Information	Standards	Accountability
High	Enforced equality	On demand	Standardized; centrally approved	Curriculum & performance measures	Central control/ evaluation
Medium	Variation by need	Within geographic area	Meet minimum standards	Accreditation centrally controlled	Local education officials; supply and demand
None	Unlimited supplements	By financial & performance ability	Accessed by demand	Market competition sets criteria	Supply and demand

Voucher systems can vary dramatically in terms of the amount of control exercised by central and local authorities over them. They also differ markedly in what are the key elements/objectives that they are intended to influence. Any given voucher system may employ high levels of control on some elements and little control on others. Thus, the varieties of systems are as many and multi-faceted as are the costs and benefits of each of their forms.

D. Application of Findings to Design of Guatemala Case Study

The applicability/transferability of voucher systems to the cultural economic conditions of Guatemala is very complex. In the preceding sections of the paper, we have indicated the broad range of costs and benefits and issues associated with the implementation of

voucher systems. These concerns are more than theoretical; they also have an empirical basis in past implementation efforts. To guide our analysis of the appropriateness for Guatemala, the following questions need to be addressed about each of the major attributes of voucher systems:

1. Decentralization
 - a. Do political and economic policies in the central Ministry of Education in Guatemala facilitate localization efforts?
 - b. Does sufficient administrative infrastructure exist at the regional, district or local level to permit localization?
 - c. Is there a manifest desire by local education officials and populations to assume administrative and management responsibilities for managing their educational system?
 - d. What will be the impact on the establishment of national norms and consensus of localizing the administration of educational systems ?
 - e. Are the political and social structures of the country strong enough to withstand the pressures for increased educational diversity that are likely to accompany a decentralized system?
2. Expansion of Choice
 - a. Is there a need and a desire for increased educational choice currently being expressed by local citizens?
 - b. Will differences in ethnic backgrounds be strengthened or diminished by the availability of greater educational choice?
 - c. Is this desired by political leaders? Social leaders?
 - d. Are local citizens sufficiently informed to choose among educational alternatives?
 - e. Do administrative and finance mechanisms exist that will permit individuals to receive vouchers and spend them as their educational needs and proclivities dictate?
 - f. Is there sufficient diversity in educational models to warrant the creation of new types of schools and/or curricula at the local level?

- g. Will new forms of schooling or new types of content enhance or restrict occupational opportunity for school graduates?

3. Accountability

- a. Are there significant differences between the standards of performance as issued by the central Ministry and those which are to be enforced by local education officials and community members? If so, how will these be reconciled?
- b. Who will create the standards of performance by which alternative schools and new curricula will be mastered?
- c. Can the local community establish sanctions and enforce them to reward superior performance and to discourage that which is inadequate?
- d. What linkages will be maintained and which transformed between the central Ministry and local education offices?
- e. How will authority be vested in the lay community in such a way that public officials will be held accountable for the implementation of educational programs and for the appropriate allocation of fiscal resources?
- f. What provisions exist for training local educational officials and lay leaders in the performance of administrative or management tasks previously held by higher-level officials?
- g. What procedures are in place that will facilitate the cancellation of an educational experiment at the local level should it be deemed a failure?

4. Equity

- a. What kind of inequities is the voucher system designed to address?
- b. What indicators will serve as benchmarks that inequities are being reduced by the introduction of such a system?
- c. At what level of the system will equity comparisons be made? at the national, regional, district, or community level?

- d. What formula will be employed to redistribute resources on a more equitable basis? Will this be done on a student by student basis or on a school by school basis?
- e. Will the financial scheme employed by the voucher system permit the "topping up" of individual education expenditures by families?
- f. What mechanisms will be employed to peg the cost of schooling to the value of the voucher?

5. Quality and efficiency

- a. What indicators of equality and efficiency are currently being used by educators to monitor the educational system? Will these change and, if so, how under a voucher scheme? Why? Which ones might be expected to change?
- b. How will the effect on overall school quality be monitored? Is it possible to eliminate the worst performing teachers (from a bureaucratic perspective)?
- c. Do parents really have the power to withhold the purchase of educational services from their local schools? Do alternatives to existing schools really exist?
- d. If alternatives do exist, will there be additional costs with the increase in quality and/or choice available to parents?

6. Fiscal Implications

- a. Would there be an increase in short-run costs in implementing a voucher system? Would there be long-term cost increases?
- b. Are there other hidden costs such as transportation, increased costs of materials, increments in teachers' salaries, etc that might be anticipated?
- c. Is it realistic to expect that with increased localization there may be an increase in local revenue generation as well?
- d. Are local community leaders prepared from a management and a pedagogic standpoint to ascertain whether funds are being appropriately and effectively used at the local level?

- e. Is it likely that the implementation of a voucher system will increase or decrease unit cycle cost?

7. School and community Impact

- a. Will the advent of a voucher system increase community participation in the school system?
- b. Will alternative forms of schooling diminish or exacerbate social cleavages they may exist along social class or ethnic lines?
- c. What are the costs and benefits attached to voucher systems as they have an impact on contributions to the public weal as opposed to a realization of private interests?
- d. Do social/infrastructural mechanisms exist that will facilitate the participation of community leaders?
- e. Can the community afford the fiscal and emotional costs attached to competitive schooling environments within the same community?

IV. GUATEMALA CASE STUDY

A. **Overview of the Educational Situation in Guatemala.**

The purpose of this report is to analyze the possibility of implementing a voucher system in order to expand and improve the coverage and rate of enrollment in the Guatemalan educational system. One cannot start without first examining the educational characteristics of the population, the institutional framework within which educational activities are developed, and the role that the public sector plays in that framework.

1. Educational Characteristics of the Population

The Guatemalan population is characterized by linguistic and cultural heterogeneity. According to the socioeconomic data of 1986/87, 42% of the country's population is composed of 21 indigenous groups four of which account for approximately 34% of the population.

Although there are twenty one vernacular languages and more than one hundred dialects, formal education is delivered mainly in Spanish. In 1965, the program of "castellanizaci'on" was started in 1985, a program of bilingual and cultural education was introduced to provide pre-primary and primary education to the indigenous population in the first 5 grades. This program (PRONEBI) has been strongly supported by USAID financial assistance.

a. **Illiteracy**

At present, only 52.3% of the population over 15 years old are literate. Literacy rates are significantly lower in rural areas than in urban areas; with rates of 19.2% and 73.5% respectively. Illiteracy rates among indigenous groups are 77% nation-wide and 82.2% in rural areas (see Table 3).

TABLE 3

ILLITERACY RATES AMONG POPULATION OVER 15 YEARS OLD, FOR 1985.

	Total	Urban	Rural
Pop. 15 yrs old & over	52.3%	27.5%	71.8%
Ladinos	34.9	18.0	58.4
Indigenous	76.9	59.9	82.2

Source: USIPE, Educational Statistics No.1, Min. of Education,
Guatemala C.A. 1987.

As illustrated in Table 4, the illiteracy problem is a result of a high percentage of the population not receiving education -- 43.2% of those 15 years of age and older are uneducated. This rate is lower than the illiteracy rate implying that a percentage of the population has some degree of education yet is still illiterate. Table 2 also shows that the proportion of persons without education is particularly high in those regions where indigenous populations predominate, such as in the north and northwest regions where 71.8% and 68.5% respectively lack instruction. It is apparent that a high proportion of school age children have not been enrolled. For example, 62.4% of those between 7 and 9 years of age have yet to attend school. As age increases, so does school attendance indicating a late school entrance. Overall, however, the percentage of young people without education remains high -- 22.5% of those between 15 and 19 years of age have not received formal education. The problem is particularly acute among indigenous populations.

TABLE 4

POPULATION WITHOUT EDUCATION, ACCORDING TO AGE AND REGION, 1987

Region	Years of age			
	7 to 9	10 to 14	15 to 19	20 and over
Nationwide	62.4%	24.8%	22.5%	43.2%
Metropol. region	8.3	8.9	21.0	
Northern region (*)	48.3	51.9	71.8	
Northeast region	24.0	17.3	43.8	
Southeast region	18.3	13.4	39.8	
Central region	19.6	16.7	37.6	
Southwest region (*)	27.3	23.6	46.3	
Northwest region (*)	39.8	41.7	68.5	
Peten	14.1	18.4	42.0	

Source: National Socioeconomic Survey 1986/87, National Institute of Statistics, Guatemala, March 1988.

(*) Regions with indigenous population higher than 60%.

b. School levels

The population age ten years and older have, on the average, 2.9 years of schooling, with slightly higher rates among males. These rates vary among regions. In the Metropolitan area those over ten years of age have received 5.3 years of schooling, whereas in the rest of the country the figure is only 2.2. School levels are inversely related to age and reflect that school levels are improving in the country thanks to expanded coverage.

Although increases in school attainment reflect advances, educational coverage lags behind levels exhibited by countries at similar development stages.

TABLE 5
AVERAGE SCHOOL LEVEL RELATED TO SEX, AGE AND
GEOGRAPHICAL AREA

Sex & age	Average years of schooling		
	Country	Metrop. area	Rest of country
Both sexes	2.9	5.3	2.2
Men	3.2	5.8	2.5
Women	2.7	4.9	1.9
Over 10 yrs. old	2.9	5.3	2.2
10 to 24 yrs. old	3.4	5.5	2.8
25 to 39 yrs. old	3.1	6.0	2.2
Over 40 yrs. old	1.8	4.2	1.1

Source: National Socioeconomic Survey 1986/87, National Institute of Statistics, March 1988.

TABLE 6

AVERAGE SCHOOL LEVEL BY REGION, POPULATION OVER 10 YEARS OLD.

Average years of schooling

Nationwide	2.9
Metropolitan region	5.3
North	1.3
Northeast	2.5
Southeast	2.7
Central	2.7
Southwest	2.4
Northwest	1.3
Peten	4.2

 Source: National Socioeconomic Survey 1986/87,
 National Institute of Statistics, March 1988.

2. Extension of the Formal System of Education.

Guatemala has expanded access to its educational system. In 1965, primary education covered less than 40% of the population but rose to almost 60% by 1989.(see Table 7).

TABLE 7

EVOLUTION OF PRIMARY LEVEL COVERAGE ALONG THE YEARS
 (as a percentage of the population between 7 and 14 years old)

Year	Popul. 7-14	# of stud. prim.	%
1965	978,502	383,160	39.2
1970	1,121,376	505,691	45.1
1975	1,285,170	627,126	48.8
1980	1,465,887	803,404	54.8
1987	1,838,789	1,097,851	59.7

Sources: Population: INE Projections 1965/80.
 # students: USIPE, Min. of Education.

Analysis by school level reveals poor coverage at the pre-primary level, higher coverage at the primary level and the lowest rate at the secondary level (see Table 8). At the secondary level, only 16% of youngsters between the ages of 13 and 20 are enrolled in a school. This fact is a direct consequence of poor enrollment at the primary level and low quality of instruction.

TABLE 8

SCHOOL COVERAGE BY LEVEL AND REGION FOR 1988 /1

	Pre-primary	Primary	Secondary
Nationwide	26.4%	60.6%	16.4%
Metropolitan R.	42.5	78.8	39.8
North (*)	35.6	38.0	5.8
Northeast (*)	12.2	55.2	14.5
Southeast	7.7	68.8	10.6
Central	19.3	64.3	13.3
Southwest (*)	25.4	50.5	12.2
Northwest (*)	30.2	44.2	5.4
Peten	15.0	57.9	9.5

Source: USIPE & SEGEPLAN.

(*) Regions with more than 60% of indigenous population

/1 Coverage is defined here, as the % of initial enrollment in every school level related to the population of the corresponding age, allowing 2 years of delay.

The pre-primary education data deserve special attention. Nation-wide the coverage is 26.4%, and in the Metropolitan Area 42.5%. Other regions, such as the north, northwest and southwest, have surprisingly high rates of 35.6%, 25.4% and 30.2%, respectively (see Table 6). The cause for these better rates may be attributable to the success of the PRONEBI project which is focused on these areas. The data suggest that if curriculum is developed according to local realities, education standards could improve.

3. Characterization of the Educational Supply Side.

Educational services in Guatemala today are provided mainly through public schools managed and financed by the Government through the Ministry of Education. The private sector accounts for a low proportion of schools, even though it has shown a growth similar

to that of the public sector. The public sector provides services to 2/3 of the pre-primary level and to 86% of the primary level, while the private sector accounts for the remaining enrollment, typically concentrated in urban areas. At the secondary level the public sector accounts for only 57% of the total student enrollment. (see Table 9).

TABLE 9

PUBLIC SECTOR PARTICIPATION IN THE EDUCATIONAL SECTOR IN 1987 (%)

Level	Schools	Teachers	Students
Pre-primary	76.2%	60.7%	72.8%
Primary	83.1	79.5	85.9
- urban	(56.3)	(66.3)	(76.2)
- rural	(89.2)	(92.2)	(93.7)
Secondary	37.7	28.7	57.4
Total	76.5	28.7	80.1

Source: Statistical Yearbook 1987, INE.

4. Public Sector Expenditure in Education.

Fiscal expenditure for education is 2.5% of G.D.P. and approximately 16% of total government expenditure (see Table 10). These amounts, however, are quite low relative to other countries in Central America (see Table 11).

TABLE 10

PUBLIC EDUCATION SECTORIAL BUDGET IN PERCENTAGE TERMS

Year	% of GDP	% of Govt. Budget
1980	2.58	15.9
1981	2.37	12.2
1982	2.34	13.8
1983	2.24	15.4
1984	2.25	16.2
1985	1.95	16.7
1986	1.84	11.7
1987	2.43	16.8
1988	2.37	16.3
1989	n.a.	15.3

Source: SEGEPLAN
(Public education includes MINEDUC & other public instit.)

TABLE 11

PUBLIC EXPENDITURE IN EDUCATION, CENTRAL AMERICAN COUNTRIES 1985

	Educ. expend. as a % of Total Govt.	Educ. expend. as a Country % of total GDP
Costa Rica	22.60	4.3
El Salvador	15.79	3.0
GUATEMALA	13.58	1.3
Honduras	18.84	4.8
Nicaragua	10.63	6.0

Education expenditures have fluctuated dramatically especially if analyzed in real terms. They decreased from 1980 until 1986, but in 1987 grew to almost 37%. This growth coincided with a salary increase to public teachers. However, a net loss was realized over the decade in real dollar terms. Not until 1988 did expenditures reach the level they were at in 1981. (see Table 12).

TABLE 12

PROGRAMMED BUDGET OF THE EDUCATIONAL SECTOR THROUGH TIME

Year	Total amount	MINEDUC	Remaining
1980	MQ 518.1	MQ 359.3	MQ 158.8
1981	479.5	368.7	110.8
1982	456.7	350.6	106.1
1983	426.4	342.2	84.2
1984	430.9	338.5	92.3
1985	368.6	294.2	74.4
1986	349.1	272.1	77.0
1987	477.5	370.9	106.6
1988	480.7	385.4	95.3

These shifts indicate low efficiency and weak managerial acumen. (see Table 13).

TABLE 13

EDUCATIONAL SECTOR INVESTMENT THROUGH TIME

Year	Amount in MQ '88	% of execution
1980	120.2	66.7
1981	82.6	101.1
1982	73.8	63.3
1983	71.4	51.5
1984	78.5	46.1
1985	49.1	52.8
1986	43.4	60.1
1987	60.0	65.2
1988	58.9	61.5

Source # 10 & 11: SEGEPLAN, Million Q of 1988, deflated by the implicit deflator of GDP.

Analysis of the distribution of expenditures by levels of education indicate that:

- The primary level captures the greatest amount of resources with shares that range between 53% and 60% of the total allocation.

- Tertiary Superior education, which in the last 4 years has taken reached more than 20% of the education budget, accounts for the next largest share of the educational budget. Government support to the state university, is guaranteed by the Constitution, even though it is highly regressive in socioeconomic terms with support amounting to 5% of the government's revenue each year.
- Pre-primary education, which is the most profitable investment in socioeconomic terms, receives the lowest amount of resources -- merely a 3% share of the budget (see Table 14).

TABLE 14

% DISTRIBUTION OF MINEDUC'S BUDGET BY LEVEL OF EDUCATION

Year	Pre-primary	Primary	Secondary	Superior	Other
1980	2.9	56.4	16.7	18.3	5.8
1981	2.9	59.1	17.3	16.9	3.8
1982	3.2	58.0	18.1	17.0	3.6
1983	3.0	59.3	17.3	16.0	4.4
1984	2.8	57.9	18.2	17.7	3.4
1985	2.8	59.6	17.2	15.0	5.4
1986	2.6	55.8	15.3	21.2	5.1
1987	2.4	52.8	13.6	21.2	9.9

Source: SEGEPLAN. (Admin. costs distributed by level's share). 5.- Educational Sector Management.

There is widespread consensus regarding that great inefficiencies plague the Ministry of Education's management of the sector. This is epitomized by a highly centralized administrative structure. Top management levels must deal with trivial problems and routine matters instead of concentrating on developing clear policies. In fact, presently Guatemalan parents who send their children to private school are complaining that the schools had raised tuition in a "speculative way", forcing the Minister to spend several days trying to solve a conflict that affected a very small, but very powerful, group of people.

The Ministry of Education is starting to decentralize to Regional Departments. However, internal bureaucratic resistance has slowed the pace of change. There are many different departments and units with different but sometimes overlapping functions, operating in various places and buildings which further complicate administration. There are some internal units that have functions which could be more appropriately handled by

the private sector. (i.e., CENALTEX which cares for making textbooks and the Unit of School Furniture).

The present structure can hardly deal with the management of a system that accounts for 1,200,000 students studying in more than 10,000 schools which are served by almost 50,000 teachers (see Table 15).

TABLE 15

No. OF STUDENTS, TEACHERS AND SCHOOLS BY LEVEL AND AREA FOR 1987

	Pre-primary	Primary	Urban	Rural
Students	144,312	1,097,851		
Teachers	5,029	31,441	34,222	19,239
Schools	2,992	8,481	1,099	1,893

Source: Own elaboration based on USIPE Statistics for 1987.

According to all sources of information, the Guatemalan educational system has a serious internal efficiency problem as manifest in its low rates of coverage, discussed earlier. UNESCO data show that, at the primary level, 8.4 years of schooling are needed in order to obtain a sixth grade graduate. In rural schools this figure almost doubles to 15.9 years. Furthermore, the World Bank, reports that an average student takes seven years to complete just four grades. These statistics on top of the coverage problem reflect the magnitude and gravity of the country's educational dilemma.

Another indicator of low internal inefficiency is the rate of promotion. As shown in Table 16, these rates vary among grade, geographical area and race. Efforts must be made to increase the low rates of promotion in the first grade. Promotion rates are 76% for urban children and 64% for rural ones and are even lower for indigenous children. It must be noted that many students enter the system with some delay (overage). Parents are quite distrustful about the utility of schools and therefore are induced to take their children out of school. This fact is especially true if the alternative to schooling is to put their children to work for and to contribute to family support.

TABLE 16

PROMOTION RATES BY GRADE AND AREA IN 1987

Grade	Nationwide			Indigenous		
	Total	Urban	Rural	Total	Urban	Rural
1	68.6	76.3	64.4	65.7	68.9	64.7
2	81.5	86.1	78.1	75.9	79.4	74.5
3	82.5	85.3	79.9	78.4	79.3	77.9
4	86.5	86.9	85.9	83.9	82.4	84.8
5	89.4	89.3	89.7	87.8	86.3	89.0
6	95.7	95.2	96.7	93.9	92.4	95.6
Probability of success* in:						
1st.gr.	34.1	41.4	29.9	27.0	28.5	27.1
2nd.gr.	49.8	54.3	46.4	41.1	41.4	41.9

Source: USIPE

* Prob. that a student that comes to 1st. grade reaches the 6th. in 6 years.

Once past these initial barriers, students generally show rates of promotion over 80% in most grades. However, the difficulties are greater for indigenous children in rural areas. An average student that entering first grade has a 34% probability of completing six grades within six years. This rate increases to 50% once the student has completed the first grade. In sharp contrast, the indigenous student has only a 27% probability to pass the six grades in the 6 years.

In Table 17, high rates of drop out and repetition are shown. They refer to apparent achievement in primary education, estimated from enrollment in first grade compared to enrollment in sixth grade. This figure is a proxy for internal efficiency of an educational system and reveals that, at the national level, 27% of the children who enroll in the first grade reach the sixth grade. This percentage increases to 49% in urban areas and drops to 16% in rural areas.

TABLE 17

APPARENT ACHIEVEMENT IN PRIMARY EDUCATION IN 1987

# students enrolled				# indigenous students enrolled		
Grade	total	urban	rural	total	urban	rural
1st.(a)	313,795	109,859	203,936	91,757	22,545	69,212
6th.(b)	85,871	54,165	31,706	12,638	6,741	5,897
% a/b	27.4	49.3	15.5	13.8	29.9	8.5

Source: USIPE.

In conclusion, the Guatemalan educational system is highly inefficient with the result that financial resources are wasted each year. It is estimated that repetition represents a waste of MQ. 59 per year which is almost 20% of the Ministry of Education budget.

It must be recognized, however, that there is widespread consciousness of the problem especially at top decision-making levels. Innovative actions have been undertaken, but they are not enough to achieve proposed goals and they usually get lost in the internal bureaucracy of the system. To solve the structural problems affecting the organization of the State requires will, perseverance and systematic efforts oriented toward building a modern and efficient organization to respond to the requirements of the most needy population.

B. Analysis of a Voucher System Model in the Guatemalan Context

As was pointed out in part I of this report, voucher systems have been used successfully in the past in various places to achieve different goals. Some of these include:

- Increase access to the educational system;
- Increase efficiency of existing educational systems;
- Improve accountability of existing educational systems by shifting the burden from a centralized to a decentralized system;
- Introduce free market orientations into the system that could lead to improved quality;
- Introduce more equity into the system; and
- Increase choice and local control (i.e., empowering parents to select the school

- quality;
- Introduce more equity into the system; and
- Increase choice and local control (i.e., empowering parents to select the school that their child will attend, reinforcing their primary role as educators);

Most of these objectives are applicable to the Guatemalan context as was seen in section IV. A. However, the characteristics of the educational system in Guatemala do not support a simultaneous frontal attack on all of these issues. Our recommendations therefore, address primary, immediate, potential courses of action.

We have already noted the following characteristics of Guatemala's educational system:

- The school age population has limited access to the system;
- The system is highly inefficient because it does not address the primary learning and skill needs of a large part of the population;
- Accountability is lacking for both teacher and administrators;
- The system is monopolistic in that the state is the main supplier of primary education services and there are few incentives to provide better service;
- The system is not equitable. Instead, it is financed by general taxation and the benefits are not received by large segments of the population, specifically the poor;

Although this paper has focused on the voucher concept, it should be apparent that vouchers are but one manifestation of an attempt to decentralize education decision-making and service provision. It is clear from a review of GOG policy documents and discussion with USAID personnel that one of the top priorities of the Ministry of Education is increasing access to schooling for populations who previously have not had access to instruction.

Educational choice, parental control, and the leveling of quality of schooling are important considerations, but they are second echelon issues compared to the problem of getting more children in school. Of course all of these issues are related, but the experiments with voucher systems in the United States and elsewhere have occurred in contexts of near universal primary enrollment. Such is not the case in Guatemala.

The most attractive feature of a voucher system for Guatemala is the potential to empower parents to purchase educational services. By guaranteeing parents the resources to pay for schooling (increasing demand) the assumption is that entrepreneurs will build schools (supply) to capture those education resources. By vesting parents with control over the resources, accountability will be located in the community and thus contribute to the maintenance of at least minimal quality standards.

Testing which measures student achievement, however crudely, must be implemented by the Ministry of Education in its new role, in order to provide parents and teachers

necessary monitoring information.

As universal access is being achieved, greater equity can also be obtained because the voucher can introduce positive discrimination, giving differential incentives to the poorest families or special sub-populations with high drop-out rates such as girls.

Mr. Julio Diaz conducted several surveys among different groups of people in Guatemala to examine the receptiveness of instituting a voucher program. Results from surveys revealed that teachers prefer to remain in a mediocre but stable system. On the other hand, results from the survey given to government officials revealed they did not want to lose power and even felt threatened by the possibility of losing their jobs under a voucher-type scheme.

The second main problem to address is the low quality of education. Presently, national resources devoted to education are insufficient to meet the minimum objectives of providing primary education to the 40% of the population unserved. It is doubtful that local revenue generation will provide the resources necessary to offer educational services to those currently not in school. For the near future, the burden will continue to fall on the government with the assistance of donor agencies.

V. SUMMARY AND RECOMMENDATIONS

A. Review of Problems/Interventions/Outcomes Possible under Voucher Systems in Guatemala

Based on our interviews with key Guatemalan officials and A.I.D. EHR officers, it seems clear that there does not exist wide-spread support for the development of a laissez-faire voucher system. The principal, perhaps sole motivation, for exploring the implementation of a voucher system is wide-spread frustration over the inability of the education bureaucracy in Guatemala to provide educational opportunities for all school age children who want to attend school. Our recommendation/options are therefore based on this assumption: providing parents with vouchers negotiable only for education purposes in state recognized institutions will create a demand driven-system that is likely to increase private response in the supply of services and facilities.

Four different models for the use of vouchers to improved access to primary schooling, each with several sub-variations should be carefully evaluated in terms of their cost-benefits and their political and social feasibility.

1. Minimally sufficient tuition credits are given for each school-age child.

Variation 1: payments are given directly to the school on the basis of total enrollment.

Variation 2: payments are given directly to the family for expenditure at any accredited school of their choice.

2. Tuition credits are given only to students/schools with particular kinds of characteristics.

Variation 1: credits are given only in areas that previously lacked education facilities.

Variation 2: credits are given only to students who meet particular SES or geographic requirements.

3. Graduated tuition credits are given that are based on specific grades or sub-populations.

Variation 1: Credit is targeted on grade levels associated with high dropout rates- the value could exceed the actual cost of education and thus be a supplemental economic incentive.

Variation 2: Credit is gender based to reward female participation and to compensate families for opportunity costs associated with labor lost.

The use of voucher systems to increase access is predicated on the belief (and experiential evidence) that a demand driven education system will generate increases in enrollment faster than will a supply driven system. A key assumption is that vouchers will facilitate this growth in a more equitable fashion than will more traditional modes of growth. In the final analysis, increases in enrollment must be paid for. Our analysis indicates that five mechanisms should be explored for either increasing revenue or for using existing resources more effectively. These options could be implemented singly or in combination:

Option 1: Restructure annual GOG budget to increase educational expenditures by an annual increment of 0.1% of G.D.P. until the year 2010. This would result in raising annual expenditures on education from 1.3% of G.D.P. (lowest in central america) to 3.0% (average for the region).

Option 2: Reduce the percentage of the education budget allocated to tertiary education from 21.2% to 15% by the year 2010 with the annual reduction re-allocated to the primary sub-sector.

Option 3: Increase the obligation rate of money appropriated in each annual budget. The current obligation rate is 90%, ie., 10% of annual resources are not utilized.

Option 4: Increase the internal efficiency of the primary education system by a) reducing the repetition and dropout rates; b) privatize management of the educational system; and c) decentralize the operation and monitoring of the system.

Option 5: Create a special fund (A.I.D. and/or other donors) focused on disadvantaged students. For example, a 20 year endowment fund could be created from ESF or local currency funds. At a 10% interest rate, a \$20 million fund would generate \$2 million per year to create vouchers for students who previously had no means to attend school. If only principal were used for the first 10 years of the endowment and then the principal was retired over the next 10 years, 4 generations of students would be provided with "new" opportunities to gain a primary education. At an annual estimated cost of \$200 per student, a large majority of the children who are currently not in school could be enrolled.

We also recommend that USAID help the GOG explore ways to improve the efficiency and quality of the administrative structure of the Ministry's planning and development offices as well as its management and monitoring divisions. Until the skills and

vision are developed in these offices it is unlikely that quality can be maintained as the system decentralizes. The role of the Ministry should be to provide guidance and assistance not directives and prescriptions to local communities as they attempt to meet their educational needs. Such a change in roles will not come easily. The transition could be facilitated by USAID through sponsorship of seminars, workshops and policy papers that discuss issues, examine options and formulate strategies for change.

B. Followup Activities

As a followup step to the recommendations made in this paper, we suggest that USAID consider forming a consulting team for a 3 week TDY to Guatemala. The objectives of the mission would include:

- Evaluation of possible revenue sources for expanded access programs;
- Identification of feasible demand driven strategies that included options outlined above;
- Collaboration with MOE officials in designing training and policy paper priorities;
- Design strategy to enhance accountability of school personnel, especially at the local level.

The team would focus on developing a realistic plan that included a detailed cost-benefit analysis of the options examined. The final report should be written in the form of an action paper or PID depending upon the wishes of the mission.

We recommend that the team be composed of the following types of experts:

- Educational planner/Systems development spec.- Team leader
- Educational economist
- Educational sociologist/anthropologist
- Educational management/administration specialist

The combination of skills represented by the structure of this team should permit the development of a pragmatic, empirically-based education plan that will expand access to all primary school age children and that will increase parental and community involvement in the operation and performance of the basic education system. We recommend that this team confine its investigation and report to primary education with a particular focus on expanding and equalizing educational opportunities.

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by Maria Infante
10/90

Annex I

NOTES ON SYSTEM CONDITIONS

As was seen in previous section, the applicability of voucher systems to the cultural economic conditions of Guatemala is very complex. Concerns are more than theoretical: they also have an empirical basis in past implementation efforts in other countries as well as in the local context. To guide and summarize this analysis of appropriateness for Guatemala, I will try to answer some questions related to the each of the major attributes of voucher systems (please refer to questions posed in section III.D)

1.- Decentralization

a) Political and economic policies in the central MOE do not facilitate localization efforts, actually. But the subject is under intellectual and political discussion and local experiences with the private sector can be found elsewhere that could serve as the initial kickpoint to go further (i.e.: Fe y Alegria)

b) Administrative infrastructure exists at the regional level that could facilitate further localization efforts, but it should be expanded as well as reoriented in its functions. I'm thinking here of 2 different ones: Regional Directions of the MOE, on the one side and Municipalities with their 8% law, on the other.

c) In the limited amount of time that I've had, I could say yes: there exists a lot of interest by local populations and officials to assume more responsibilities if they are given the corresponding resources.

d) Localization of administration must be accompanied by adequation of curricula in order to let more flexibility in school programs, but without meaning that basic consensus will be threatened. Basic skills and instruction are universal and have to be taught anywhere. Flexibility is thought as bilingual programs for example that don't constitute a threat to national unity and consensus.

e) yes.

2.- Expansion of choice.

a) Definitely, yes.

YB

- b) Strengthened by one side but diminished on the other because these groups will be better prepared to incorporate themselves to the development process.
- c) I don't know.
- d) Not enough, but it is one of the challenges: to inform them.
- e) Definitely not, but this is one of the tasks that are left for a second. phase. It is technically possible.
- f) No, but a law exists that permits curricular adequation.
- g) Definitely, enhance them.

3.- Accountability.

- a) I don't know but common standards should be developed that will be applicable for the public as well as the private sector.
- b) The Ministry of Education, considering existing programs and curricular flexibility.
- c) Yes, it is possible at the national as well as at the local level.
- d) The MOE will perform 3 main functions : 1) the dictation of national policies and educational norms; 2) the evaluation and supervision of them; and 3) the financing of the system through a voucher system.
The local community be it private or municipal will perform operative actions,i.e.: administration of local schools and educational facilities.
All this must be reflected in a new educational law.

- e) As far as I know, none.
- f) Relating the amount of the voucher inversely to the amount of tuition that schools charge to parents.

5.- Quality and efficiency.

- a) I don't know, but in the overview of the educational situation of Guatemala (section IV. A. some indicators could be appreciated).
- b) Implementing National Tests that tell us something about achievement of minimum standards in all schools.

- c) Not yet, but if a voucher system is implemented, we are going in the correct direction.
- d) Definitely, yes.

6.- Fiscal Implications.

- a) yes.
No.
- b) Not necessarily.
- c) Definitely, yes.
- d) I don't know, but I see this as a function of the MOE.
- e) Don't know.

7.- School and community impact.

- a) Yes, of course.
- b) Diminish.
- c) Most of them were discussed in previous sections.
- d) Yes, but rudimentary. They need to be reinforced &/or stimulated.
- e) Yes, it is the government's problem the most difficult one, as I see it.

Additional Note:

From the interviews that I have had during this week I've found that there is a private non profit corporation that came into the educational business after 1976's earthquake, and receives a government subsidy related to the number of students they attend, if they do not compete with existing public schools. Its name is Fe y Alegr'ia and it is an international organization with long standing experience in other Latin American countries.

This institution has costs that are only 1/3 of the public costs and they pay teachers almost 75% of a public teacher's salary, being their goal to get to the 90% soon. The way of getting funds from the government is not the best because it is discretionary, it has to be negotiated

every fiscal year. But it is a "seed" from where the Guatemalan voucher could start: defining, after a study case, a fixed amount per student that should be given, ideally to the family or, to simplify administrative problems, to accredited schools, where parents choose to send their children. It has to be started in a limited or controlled way that gets expanded smoothly. Otherwise, there is no national budget that can afford the explosion of new alternatives that start to develop, being most of them better than the existing ones.

ANNEX II ANNOTATED BIBLIOGRAPHY

"ECS law & Education Center Footnotes No. 3". Spencer Foundation, Chicago, IL, November 1981. **ABSTRACT:** Commentary and advice in 4 legal areas are offered in this newsletter on educational law. 1.) outlines preventive legal review for public educators in four basic steps, including anticipation of legal challenges, evaluation of the challenges' legal merits, consideration of the policy issues raised by potential challenges, and modification of policies in response to the first three steps. 2.) Noting of a new suit against N. Carolina's competence testing program. 3.) Legal ramifications of family choice in education. Discusses 3 choice plans (free choice, free transfer, and tuition voucher systems) in relation to desegregation and racial imbalance, describes several states' statutes regarding racial discrimination and recommends guidelines for a constitutionally acceptable tuition voucher plans. Examines Larry P. vs. Riles decision on racial bias in intelligence testing.

"Educational Voucher Demonstration Archive: Project-level Documentation". National Inst. of Education, Washington, DC, June 1984.

"Four Republican Presidential Candidates Debate Educational Issues". Equity and Excellence; v23 n3 p29-46 Win 1988. **ABSTRACT:** Provides the transcript of a September 1987 debate on educational issues between Republican presidential candidates Jack Kemp and Pierre du Pont. Throughout the document are responses to questions submitted to additional candidates Dole and Bush.

"School-based Management. The Best of ERIC on Educational Management". Number 53. National Inst. of Education, Washington, DC. **ABSTRACT:** Annotated bibliography highlighting 11 publications on educational vouchers. Issues include several voucher systems, the value of increased parental decision-making, and nonvoucher systems of educational options. Discusses how vouchers may promote freedom of choice but reduce equality of education, effects of a voucher system on racial segregation, and the participation of sectarian schools in voucher programs. Alum Rock. Houston's magnet school program.

"State and Local Innovations in Educational Choice". Hearing before the Subcommittee on Intergovernmental Relations of the Committee on Governmental Affairs. United States Senate, Ninety-Ninth Congress, First Session, October 22, 1985. **ABSTRACT:** Testimony concerning innovative state and local programs which expand family choice in education, and the Federal government's role in facilitating such programs, is presented. Testimony reviews research findings that bear on the issue, variables involved in planning educational choice, reforms proposed in the Minnesota plan for K-12 education, Minn.'s Post-Secondary Enrollment Options Act of 1985, private sector alternatives in education, and disadvantages of alternative education programs, such as tuition tax credits and tuition voucher systems. Copious additional material submitted for the record include: 3 issue of "Educational Freedom" focussing on educational vouchers and the advantages and constitutionality of tuition tax credits; discussions of the effectiveness of public and private schools, and the organization of schools in relation to politics and markets; a description of the Prince George's county school system's "Workplace School"; discussion of how the selection of

strategy for designing federal programs influences program operation and effects; arguments against the use of tuition vouchers; a brief position statement of the Minn. Federation of Citizens for Educational freedom, Inc.; the Minn. Congress of Parents, Teachers, and Students' statement on legislative proposals concerning open enrollment and parent choice, and the desirability of limiting publicly funded choice organizations; recommendations for the fundamental restructuring of Minn.'s educational system; and the Clearinghouse on Educational Choice's analysis of population sectors most likely to support educational vouchers.

A Study of Alternatives in American Education, Vol VII: Conclusions and Policy Implications. National Inst. of Education, Washington, DC, October 1982. **ABSTRACT:** An educational voucher demonstration program begun in 1972 developed into an experiment in alternative education within a public school framework and served as a springboard for a study of the nature and effectiveness of alternative programs generally. By the time the data gathering was completed in 1977, four middle- to large-sized school districts had been studied and compared: Minneapolis, Cincinnati, Eugene, OR, and Alum Rock. The results were published in 6 volumes which this seventh volume summarizes along with a discussion of policy implications. Addresses these issues: 1. the effect of district policies on implementation of alternatives, 2. how school principals influence the success of alternatives, 3. how alternative programs affect teachers, 4. how families choose among educational alternatives, 5. whether alternatives achieve diversity in the classroom, and 6. how alternatives affect student outcomes. The study team discusses the advisability of thoroughly evaluating district needs, anticipating difficulties, and adopting procedural formality at the local level when alternatives are implemented. They suggest that the federal role should consist of financial support for innovation.

Abromowitz, Susan, "The Effects of Mini-School Size on the Organization and Management of Instruction". National Inst. of Education, Washington, DC, 1976. **ABSTRACT:** The question of whether school size directly affects teacher interaction, attitudes, role specialization, and consensus through the mediating effects of interaction was investigated. The effect of size and other contextual variables (i.e., principal support, teacher experience) on teacher behavior was also studied. Path analytic techniques are used to answer the first question and two stage least squares the second. Data are drawn from teacher surveys in the Alum Rock project. There are indications that teachers are more satisfied with smaller work groups.

Alexander, Kern, "Adam Smith, Religion, and Tuition Tax Credits". Journal of Education Finance; v8 n4 p528-36 Spr 1983. **ABSTRACT:** Examines tuition tax credit programs in framework of Adam Smith's ideas on the economic impact of established churches. Finds that tuition tax credits would amount to state expenditures to relieve the financial burden of parochial school parents and would allow churches to invest commercially to maintain their charitable functions.

Benson, Charles S., "Tuition Tax Credits: Educational Advance or Social Triage". **ABSTRACT:** Explains the 1979 tuition tax credit bill and compares in with the Family Choice Education Initiative of CA. Contends that advocates of tuition tax credit legislation

believe in "social triage" -- students can be divided into 3 groups: those for whom middle or upper class status is assured, those for whom it is uncertain, and those for whom it is virtually impossible. Advocates of TTCL believe that since resources spent on the third group are largely wasted, it makes more sense to help those in the second group for whom success is possible. TTCL will help lower middle class rather than very poor families because a tax credit is payable only to those paying income tax (making more than \$7,000) and because the credit cannot exceed 50% of tuition. Because the Family Choice Initiative is payable regardless of income and because the amount of scholarship is equal to approximate tuition cost, the author considers that this plan better provides choice for all than does TTCL. But, the best equalization program would instead improve economic opportunities for young people in the cities and foster competence and confidence of teachers.

Billet, Leonard, "The Free Market Approach to Educational Reform". 1978. **ABSTRACT:** Discusses the moral basis for free market education, reform and market concepts, free market education's impact on democratic values, and the views of its founder. Free market education is an application of traditional American values to primary and secondary education. Through use of a voucher system, free market education awards each parent of school-age children a yearly certificate or "voucher" to cover the costs of education in whatever schools they choose. The recipient schools then turn them in for actual payment from public schools.

Blum, Virgil C., "Quality Education for Inner-City Minorities through Education Vouchers". 1978. **ABSTRACT:** Research seems to indicate that black and other non-white students in private schools are at or near the national norm in every area, and far ahead of their peers in public school. There have been notable achievements in the education of black children by Catholic and other inner-city private schools. But since these schools exist in very limited numbers and are largely tuition-supported, most black parents do not have the opportunity to choose a high-quality private school for the education of their children. Our system of funding education makes inevitable the cycle of poverty for most poor black children. A remedy for the gross inequities in educational opportunities would be the adoption of education voucher programs. Vouchers of monetary value issued by the government to all parents with school-age children would provide black parents, and others, a real choice in the education of their children, a choice that would enable them to send their children to high quality public and private schools.

Butts, P. Freeman, "Educational Vouchers: The Private Pursuit of the Public Purse". Phi Delta Kappan; v61 n1 p7-9 Sep 1979. **ABSTRACT:** The choice that a voucher proposition offers is between weakening the public schools still further by encouraging flight from them and strengthening the public schools by recalling them to their historic purpose of promoting the ideals of the democratic civic community.

Castleman, John L., "Educational Vouchers: A Review and Prognosis". Texas Tech Journal of Education; v9, n1 p47-60 Win 1982. **ABSTRACT:** Advantages and disadvantages of educational voucher systems are discussed; and three approaches--only one of which became operational--are described. Difficulties such as parent and educator opposition, the public-private school issue, and probable high costs of voucher systems are explored.

Catterall, James S., "Education Vouchers. Fastback 210", March 1985. **ABSTRACT:** Reviews ed voucher idea and makes comparisons among 3 existing plans. The basic idea is that the government issues a voucher of monetary value directly to families to pay for education. Existing proposals include the Coons/Sugarman plan from the 1970's, the Friedman plan, and the Jencks proposal. These plans vary from providing basic subsidies with little regulatory control to providing subsidies that include extra compensations for the poor and slightly more regulatory control over school standards. Sponsors of voucher plans believe that choice is a requirement for school improvement and that competition improves school delivery systems. They feel the plan's simplicity eliminates complex administrative processes, is inherently fair, and will add innovation and diversity to schools. Critics argue that the plan has uncertainties, that the schools could lose their common core curriculum, that costs could vary, and that it may require added bureaucratic procedures. They express concerns that a competitive environment brings potential for abuse, increases social stratification, and gives public support to religious schools. In the 1970's the Office of Economic Opportunity and the National Institute of Education conducted research on voucher systems, but it was unsuccessful and provided little information on whether such systems can work. Major questions about voucher proposals remain.

Chambers, Jay G., "An Analysis of School Size under a Voucher System". Educational Evaluation and Policy Analysis; v3 n2 p29-40 Mar-Apr 1981.

Clewell, Beatriz C.; Joy, Myra F., "Choice in Montclair, New Jersey. A Policy Information Paper." May 1990. **ABSTRACT:** Several public school choice programs are reviewed, and the model program implemented by the Montclair Public Schools is evaluated. School choice models include: the regulated voucher system, alternative schools, and magnet schools. The Montclair system is an urban school district that has achieved success in desegregating its schools through a voluntary magnet school plan based on choice. Montclair has a total enrollment of 5,104 students, of which 49% are minority students. To study the effectiveness of Montclair's plan in providing racial balance across schools an educational quality and diversity in programs through the use of choice, a case study of the district was conducted in 1987 and a follow-up was completed in the summer of 1989. The choice program allows parents to select the school that they wish their children to attend and register that choice with the central office. The research methodology used to assess the Montclair magnet system involved combining qualitative data (interviews, tests, enrollments, and census data). Areas assessed include the level of racial integration at the school and classroom levels, general racial climate, quality of education, school climate, curriculum and instruction quality, and program diversity. A 41-item list of references, three figures, and 8 data tables are included. A discussion of the case study method is appended.

Clow, Suzanne L., The Voucher Project. Final Report. Office of Human Development Services (DHHS), Washington, DC, December 1986. **ABSTRACT:** Final report of the Phoenix Institute's (UT) Voucher Project -- a project aimed at promoting a voucher-paid child care benefit for low-income employees who would pay for their child care services and then be reimbursed upon presenting vouchers to the employer who would pay the whole or partial cost as part of a worker benefit. Included in the report are: an overview of the project's objectives; a schedule of presentations about the project delivered to employers,

the child care community, employee groups, and the community at large; an analysis of various factors intrinsic to the project's successful implementation and related recommendations; and a summary of the project's accomplishments. The report concludes with a discussion of child care trends in UT. Appendices: a voucher project phase chart, a description of the Junior League-sponsored child care resource and care assistance plan, and some newspaper articles.

Cohen, David N.; Farrar, Eleanor, "Power to the Parents? The Story of Education Vouchers". *Public Interest*; 48; 72-97. Summer 1977. **ABSTRACT:** Educational vouchers opened the door for power shifts. That they did not affect the ways in which work, authority, and child rearing are apportioned in society is one conclusion of this discussion of vouchers. The Alum Rock school district voucher plan is analyzed as an example of an implemented voucher plan.

Conrath, Jerry, "As the Pendulum Swings: Four Cautions for Alternative Educators". Oct 1987. **ABSTRACT:** Offers 4 recommendations for alternative school educators and others who work with at-risk students: 1. The real "experts" are those who work directly with at-risk youth in classrooms. 2. Schools should not provide students with choices while forsaking their obligation to teach them how to actively participate in the culture. If allowed to choose bits and pieces of education, in the name of interest and variety, students can be denied the chance to experience intellectual continuity and cohesion, choices of the type encountered in the real adult world. 3. Educators must stop patronizing at-risk students, who, though discouraged and defeated learners, do not benefit from lavish, external rewards. For true achievement, youth need serious, thoughtful assignments and they need the internal rewards of honest effort. 4. An emphasis on homework and efforts to involve parents in educating are cruel to students whose homes are hostile and unsupportive. Privatization schemes, such as Secretary of Education Wm. Bennett's voucher plan, will not increase the choices of at-risk youth.

Coons, John E.; Sugarman, Stephen D., "Education by Choice: The Case for Family Control". 1978. **ABSTRACT:** Examines the philosophical issues, possible variations, and implementation of voucher plans of educational choice. The voucher system proposed here (the Quality Choice Model) is based on the assumption that a voucher system can ensure the equal provision of educational resources to children regardless of residential mobility or ability to afford private school. The volume traces the history of choice in education in this country and links voucher plans with a belief in the value of ideological and educational pluralism. The problems that may be raised as a result of the effect of voucher plans on racial integration are addressed. The authors make a case for families being allowed to make educational choices for their children. Deals with the best design for a voucher plan, including admissions policies, consumer information, fair selection, transportation, teacher certification, transfer policies, regulation of competition, governance, and formation.

Coons, John E., "Of Family Choice and Public Education". *Phi Delta Kappan*; v61 n1 p10-13 Sep 1979. **ABSTRACT:** Describes and argues for the CA Initiative for Family Choice, a voucher plan proposed for the state of CA.

Cooper, Bruce S., "Bottom-up Authority in School Organization: Implications for the School Administrator". *Education and Urban Society*; v21 n4 p380-92 Aug 1989. **ABSTRACT:** Discusses school power structures. Cites the following examples of "bottom-up" authority: vouchers, magnet schools, and open enrollment. Suggests a new model in which the larger school districts function as "holding companies" and individual schools function as "subsidiaries" of the parent company.

Crockenberg, Vincent, "In Defense of Educational Vouchers". *California Journal of Teacher Education*; v9 n1 p100-25 Win 1982. **ABSTRACT:** The advantage of a voucher system for CA's schools are discussed. Desirable consequences of such a system include: 1. equalization of state financial support; 2. financing of religious schools; and 3. parents' ability to choose the school their children will attend.

Davis, Barbara S., "Education Vouchers: Boom or Blunder". *Educational Forum*; v47 n2 p161-73 Win 1983. **ABSTRACT:** Presents both sides of the educational voucher issue, examines some voucher experiments around the nation, and concludes with some of the possible effects that voucher plans and their alternatives might have on schools and educational quality.

Dialogue for Change. "Options for Restructuring K-12 Education". 3rd Edition, December 1988. **ABSTRACT:** Discusses options and examples of educational choice and teacher empowerment and summarizes developments between 1985-1987. The following key options are discussed in Chapter 1, "Proposed Options for Change": magnet schools; open enrollment; purchase of services; competency based requirements; two-tier administration; site-managed schools; and school building sharing. Other implications of the options and the concept of teacher as professional are also discussed. Each option includes a discussion of background issues and examples of the option in practice. Chapter 2, "Options for Change: Two Updates" -- 1985-1987 update discusses the following issues: need for education change; greater education choice for parents and students; educational excellence and economic development; teachers as professionals and entrepreneurs; and competency testing for students. The 1987-1988 update discusses the following topics: general public interest in public school choice; state and federal government responses; new research on existing choice program; and the role of the private sector in promoting the concept.

Donaldson, Gordon A. Jr., "Education Vouchers in New Hampshire: An Attempt at Free Market Educational Reform". National Inst. of Education, Washington, DC, 1977. **ABSTRACT:** Presents a case history of federal and state efforts to encourage voluntary adoption of an experimental educational voucher program by a number of NH school districts in the mid-70s. Traces the path of the "unregulated voucher" concept from its birth in 1969 to its consideration and rejection by NH citizens in early 1976. The report includes a log of events related to the voucher effort from 1973 to 1976, detailed descriptions of important episodes, and summaries of the thinking behind major decisions and viewpoints. The report is organized in 3 major parts. Part 1 relays the setting and major events of the NH voucher experience. Part 2 analyzes the major issues, decisions, and participant positions that surfaced during the program planning process. Part 3 examines the views of NH citizens and schoolpeople as the voucher program came to a vote, and presents a

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retrospective summary of responses to the entire effort to develop and implement an experimental voucher program.

Doyle, Denis P; Finn, Chester E. Jr., "Educational Quality and Family Choice: Toward a Statewide Public School Voucher Plan". National Inst. of Education, Washington, DC, August 1985. **ABSTRACT:** Proposes a model for enhancing family choice in public education which would build on current trends in educational administration. Following an introduction that reviews these trends, highlighting recent developments in CA school finance, two central assumptions are stated: that regulated competition will provide better education than centralized bureaucracy; and that with the current reform movement focusing on the state level, local school boards are becoming obsolete intermediaries. The voucher plan presented in accord with these assumptions includes the following components: 1. weighted vouchers to encourage schools to accept disadvantaged students; 2. parent-elected, state-regulated boards of trustees to govern schools; 3. standardized formats for school publicity; 4. voluntary purchasing from regional service centers; 5. participation open to all schools conforming to state regulations; 6. freedom for each school to set academic and disciplinary standards w/in constitutional limits; 7. transportation vouchers; 8. some public boarding schools; and 9. community option to retain a traditional school district. Brief observations on the model's implications for tax allocation, collective bargaining, and the teaching profession.

Doyle, Denis P., "From Theory to Practice: Considerations for Implementing a Statewide Voucher System". Department of Education, Washington, DC, April 1987.

Doyle, Denis, "Private Interests and the Public Good: Tuition Tax Credits and Education Vouchers". College Board Review; n10 p6-11 Win 1983-84. **ABSTRACT:** Tax credits and vouchers raise questions about the relationship between schooling and society: the tension between professional and parent, the role and place of values in education, the extent to which private schools should receive government aid, and the extent to which such aid might lead to government control of private schools.

Doyle, Denis P., "Family Choice in Education: The Case of Denmark, Holland, and Australia". National Inst. of Education, Washington, DC, July 1985. **ABSTRACT:** A preliminary examination of public support for private elementary and secondary education as it is incorporated into the systems of Denmark, Australia, and Holland. Its purpose is to stimulate American thinking about family choice systems. After a brief introduction on the ad hoc quality differentials in American public schooling, a discussion ensues of the ambiguous definitions of "private" and "public", as these terms are alternately used to refer to ownership and use. Addresses the implicit values and the historical context behind the American policy of denying aid to religiously affiliated private schools. Discusses the history and structure of education systems in Denmark, Australia, and Holland. Denmark has a national system of public elementary schools, coupled with the right of minorities to establish "free" schools at public expense. Australia provides comprehensive government aid to private religious schools, primarily because of pressure from a large Catholic constituency; therefore making the quality of Catholic education better. In Holland, 2/3 of the children attend private religious schools fully supported by the government. Recommends a carefully

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deliberated shift to a choice system that recognizes the centrality of religious values to the educational process and that provides alternative for families with different interests and values.

Dunning, Bruce B., "Occupational Choices and Vocational School Selections; Experiences with the Portland WIN Voucher Training Program". Employment and Training Administration, Washington, DC, 1976. **ABSTRACT:** A study of voucher program administered by the Portland Work Incentive Program (WIN). It was designed to give WIN participants: the freedom to choose their own occupations and vocational training schools; and the responsibility of rearranging to enroll in those school. The primary role of WIN staff members was to provide information and personal support when asked to do so. As of May 1974, institutional vocational training vouchers were available to all WIN participants. Each voucher was good for up to one year of training in any school in the Portland area. There was no cost-of-training limit. Voucher recipients were interviewed, first, when they used their vouchers, and second, when they completed or dropped out of training. This report discusses the first interview. 154 voucher recipients were interviewed. Concludes that the vouchering of training in WIN was feasible in Portland. Vouchering resulted in more clients having more freedom to make their own decisions than had been the case in the regular program.

Educational Vouchers. The Best of ERIC, Number 41. National Inst. of Education, Washington, DC, 1978.

Engelhardt, David F., "Let the Marketplace Decide the Viability of Independent Schools. Part of a Symposium on Government Financing for Private Schools; Pros and Cons", November 1985. **ABSTRACT:** Questions the desirability of whether private schools should receive federal or state aid. Outlines how such aid can cause entanglement problems for private schools. In accepting governmental aid, private schools can lose their autonomy, including: 1. ability to select and dismiss students with autonomy, 2. ability to advocate a set of moral beliefs, 3. operation under contractual law rather than constitutional law with employees, and 4. independence in operation and ideology. Six other areas of concern connected with possible problems in public funding of private schools are listed. The funding of nonpublic schools through traditional means such as nondeductible tuition, tax deductible donations, limited categorical aid, competitive grants, textbook loans, and child care deductions is advocated. Letting the marketplace forces operate on private schools exerts pressure on the less fit schools to either improve or cease to exist. Governmental aid would encroach upon the reasons nonpublic schools exist and have thrived.

Finn, Chester E., Jr., "Educational Choices: Theory, Practice and Research". Equity and Choice, v2 n3 p43-52 Jun 1986. **ABSTRACT:** Research on educational choice suggest that students do better in schools that their families choose, especially in the case of lower income and disadvantages students, and that permitting choice does not adversely affect racial balance but may actually promote racially balanced schools.

Futrell, Mary Hatwood, "Some Equity Concern about Choice and Vouchers in Education". Equity and Choice, v2 n3 p63-67 Jun 1986. **ABSTRACT:** Any "choice" plan that promotes

vouchers could weaken the public education system and lead to racial, economic, and social isolation of children. Further, letting parents choose their child's school will not qualitatively enhance parental involvement. She argues that increase parental participation should be promoted through the PTA, tutoring, and extracurricular activities.

Goldberg, Irving, Re: Voucher System as an Alternative Educational Program. Occasional Paper #4. 1978.

Guthrie, James W., Funding an Adequate Education for America's Youth: A Plan for Melting Political and Market Definitions of Educational Adequacy. Office of Educational Research and Improvement, Washington, DC, July 1983. **ABSTRACT:** American society has conventionally relied on both the political process and the marketplace to arrive at a "definition" of adequate education, but the political process fails to account for individual preferences while the marketplace can cater to many individual preferences. This paper attempts to combine the 2 processes in a way that will minimize the drawbacks of each while maximizing the strengths. Defining an adequate education politically has involved specifying adequacy of resources, processes, educational content, and outcomes, usually by state level agencies. While the system is flexible, it requires compromises and concessions. The establishment of adequate education using free market processes involves the provision of private education include unregulated voucher plans and tuition tax credits, compensatory voucher plans, and regulated vouchers. A satisfactory synthesis of the benefits of public and private education would involve providing public support for those aspects of education judged necessary ("adequate") for the society, while permitting families free choice among public schools and the right to purchase coupons with which to secure educational experiences not mandated by the state but enabling students to attain individually defined "adequate" educations.

Guthrie, James W. Ed., School Finance Policies and Practices. The 1980s: A Decade of Conflict. August 1981. **ABSTRACT:** This book present the ideas of several authors who share the viewpoint that social values play an important role in determining financial policies in public schools. The first section reviews the historic and social context of school financing, summarizing U.S. school finance policy from 1955 to 1980 and describes the political environment of school finance policy in the 1980's. Section 2 discusses attempts to create equity in public school finance from a tradition of local control to current conditions under which the state assumes an increasingly active role. Section 3 -- describes the role of efficiency in educational policy making and its relationship to concepts of equity and local freedom of choice. Emphasizes the impact of home life on school achievement. The need for new educational policies to meet the demands of a growing number of families who have expressed dissatisfaction with public schools is discussed in Section 4. The final chapter describes the voucher system as an option for improving the responsiveness of public schools.

Guthrie, James W., Alternative Concepts of School Efficiency. Occasional Paper #18. 1978. **ABSTRACT:** The conventional concept of educational efficiency, adapted from the technical-industrial sector, is inappropriate for public schools. In the technical industrial sector, there is widespread agreement about the desired outcomes: profit. Yet there is very

little public agreement about the proper goals of schooling. Even if agreement on goals could be achieved, techniques for measuring school outcomes are primitive and imprecise. There is also little agreement about what is the best educational process. Finally, it is difficult to measure school efficiency since the influence of outside environmental and socioeconomic factors on achievement is so significant. It would be more useful to substitute "institutional responsiveness" as the measure of educational efficiency. This goal could then be pursued through greater practical reliance on political processes and the market mechanism, such as in an educational voucher system. In the face of so many unknown factors about educational efficiency, it might be best to allow educational consumers to choose schools that embody their own definitions of efficiency and concentrate on their own preferred educational goals. As a complement to such a system, new personnel incentives would also enhance school efficiency.

H.R. 3821, The Equity and Choice Act Hearing. Hearing before the Subcommittee on Elementary, Secondary and Vocational Education of the Committee on Education and Labor, House of Representatives, 99 Congress, Second Session. September 1987.

ABSTRACT: Presents the proceedings of a House of Rep. hearing on the Equity and Choices Act, a proposed amendment to the Education Consolidation and Improvement Act, Chapter 1. The ECIA would provide the parents of educationally disadvantaged children with a voucher and the permission to use it at any public or private school of their choice. Included are statements by: William Bennet, Secretary of Ed; Rep. Larry Craig; Frances Norris, Asst. Secretary of Dept. of Ed; Awilda Aponte Roque, Sec of Puerto Rico Dept. of Ed.; & Lois Waldman, Acting Director of the American Jewish Congress's Commission of Law and Social Action.

Hess, Fritz; and others, "Educational Vouchers: Current Perspectives". 1980.

ABSTRACT: This paper presents an overview of the educational voucher system, starting with definitions and continuing with an historical overview up to the present day. Arguments against the use of vouchers are also examined.

Hind, Ian, "An Analysis of the Ideas Behind, and the Evidence on, Education Vouchers". 1978.

ABSTRACT: An evaluation of the merits of education vouchers as a means of implementing educational reform is explored. 5 sections -- 1.) historical and philosophical origins of the concept of vouchers are examined. 2.) focus on education vouchers in the context of recent developments in the theory of welfare economics and public finance. 3 - 4.) examine Jencks report and Alum Rock experience, including planning, implementation, and evaluation phases. 5.) based on Alum Rock experience, an evaluation is made of the applicability of the economic theory implicit in voucher models to schooling situations. Concludes that although the picture presented at Alum Rock was mostly negative, debate concerning the merits of educational vouchers is likely to continue.

James, Estelle, "Benefits and Costs of Privatized Public Services: Lessons from the Dutch Educational System". Comparative Education Review; v28 n4 p605-24 Nov 1984.

ABSTRACT: Examines the possibility of "privatizing" education with a government policy such as a voucher or tax credit system, which combines public financing with private production of the service. She describes the Dutch system of publicly funded private

education and suggests that private organizations and local governments find themselves competing to provide quasi-public goods.

Kehres, Robert J., "A Model for Accountability: Education's Double-Edged Sword". *Clearing House*; 51; 9; 449-53. May 1978. **ABSTRACT:** Attempts to present an overview of the accountability models presently being considered, along with their shortcomings. Gives major criticisms of the accountability movement and develops a model of accountability that would be most workable, given the state of the art for meeting educational and statistical criteria necessary to evaluate and measure school success.

Krashinsky, Michael, "Why Educational Vouchers May Be Bad Economics". *Teachers College Record*; v88 n2 p139-51 Win 1986 **ABSTRACT:** Argues for and against vouchers by looking at underlying economic assumptions. He argues that externalities and transaction costs have often been ignored by voucher advocates.

Krashinsky, Michael, "Educational Vouchers and Economics: A Rejoinder". *Teachers College Record*; v88 n2 p163-67 Win 1986. **ABSTRACT:** Disputes issues from "An Economic Rationale for Public Schools: The Search Continues" by E. West.

Lerner, Barbara, "Vouchers for Literacy: Second Chance Legislation". *Phi Delta Kappa* n; v63, n4 p252-55 Dec 1981. **ABSTRACT:** Presents a plan to begin the elimination of illiteracy -- each family with a child who fails to achieve literacy in the public schools for 3 years in a row would be given the option of sending the child to the private school of their choice at the taxpayer's expense.

Levin, Henry M., "Educational Choice and the Pains of Democracy". National Inst. of Education, Washington, DC, May 1983.

Lewis, Florence C., "The Year of the Voucher". *Phi Delta Kappan*; v63 n4 p256-57 Dec 1981. **ABSTRACT:** Looks at the future consequences on education of a voucher system.

Lindelow, John, Educational Vouchers, School Management Digest Series 1, No. 17. National Inst. of Education, Washington, DC, 1979. **ABSTRACT:** Review of research and literature on educational vouchers provides an overview and history of the voucher concept and voucher programs. Looks at several existing versions of the voucher idea, such as the G.I. Bill and Denmark's free schools. CA Alum Rock voucher experiment is evaluated, with suggestions about the obstacles preventing the program from becoming a real voucher system. Comments from an interview with voucher expert Christopher Jencks elucidate the report. Emphasizes that voucher models differ in more ways than they agree. Describes and compares 6 voucher program models. Attention is given to the "Family Choice" model. Issues include the question of whether a voucher system would violate the separation of church and state, promote segregation, raise the cost of education, or encourage unethical speculators to open schools. Concludes that the voucher concept is still vigorous and has not yet had a fair trial.

Lines, Patricia M., "Peaceful Uses for Tuition Vouchers: Looking Back and Looking

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Forward". Spencer Foundation, Chicago, IL, June 1987. **ABSTRACT:** Reviews the theoretical basis for educational voucher proposals, the various types of vouchers proposed, and the experience that has been had with voucher systems so far. Looks at the claims made by voucher supporters saying vouchers will redistribute political and econ power and simplify the administration of education al funding. The history of efforts to test and enact voucher plans is then examined briefly. Describes regulated vouchers that limit potential socially undesirable results. The limited voucher system field tested by Alum Rock provides an illustration of such systems' possible impact. The most monitored of all education choice programs, this experiment yielded a rich data base on how families will respond to a large array of choices among schools. The political influence of opposition to vouchers by teacher groups is considered. Noting that the history of vouchers suggests that only limited and regulated versions of the idea are politically viable, the paper discusses 3 limited uses for vouchers: 1. for schools in sparsely populated areas, 2. for racial balancing, and 3. for such children at risk as dropouts and the educationally disadvantaged.

Majteles, Debbie Heintz, "V is for Voucher; Valuable, Viable". Day Care and Early Education; v6 n4 p18-21 Sum 1979. **ABSTRACT:** Palo Alto's successful voucher system could serve as a model to other communities that want to give parents the right to choose the type of day care they want regardless of their income.

Coons, John E., Love, Ruth; "Would a Statewide Voucher System Work?" Instructor; v88 n10 p28 May 1979. **ABSTRACT:** A professor of law favoring the CA proposal for a statewide voucher system emphasizes the significance of family choice; a superintendent of public school argues against the proposal, raising the possibility of administrative problems and the negation of efforts toward equal opportunity.

McElligott, Joseph, "The Voucher Project". Momentum; v10 n2 p24-27, May 1979. **ABSTRACT:** When forecasting the probable effects of a voucher system on the education of poor blacks, the majority of authors whose writings were examined concurred that the exercise of educational choice would result in more productive and more responsive educational opportunities for the newly empowered impoverished Black family.

McGuire, C. Kent, Education Vouchers. Working Paper in Education Finance No. 23. December 1980. **ABSTRACT:** Provides a brief history of the educational voucher and outlines various suggested voucher plans. (Alum Rock, Michigan statewide referendums, CA) Provides a list of the pros and cons of voucher plans and addresses a list of questions that seriously affect the implementation of such plans. The questions cover the areas of school integration, economies of scale, the kinds of alternative to be made available, and the legal considerations of providing vouchers to parochial and other nonpublic schools.

Miller, Marilyn F.; DuVall, Charles R., An Annotated Bibliography of Literature Dealing with the Issues of Sectarian Schools and Vouchering. 1979. **ABSTRACT:** 5 heading -- sectarian schools - critical, sectarian schools - balanced, vouchering - favorable, vouchering - balanced, vouchering - critical.

Nathan, Joe, "The Rhetoric and the Reality of Expanding Educational Choices". Phi Delta

Kappan; v66 n7 p476-81 Mar 1985. **ABSTRACT:** Looks at research and survey results, as well as reports of specific cases to determine the popularity, effectiveness, impact on public schooling, and implications for handicapped, disruptive, and minority students of providing educational choice. Considers the current availability of options, competition from private schools, and constitutional questions.

Nathan, Joe; Finch, Lew, "Voucher/Choice Battle Heats Up. Pro: Families Should Have Choice; Con: Public School Vouchers Jeopardize Equal Opportunity". School Administrator; v42 n8 p10-12 Sep 1985. **ABSTRACT:** Nathan Argues in favor of ed vouchers; Finch, superintendent of the Anoka-Hennigin Independent School District, Minn., argues against them.

Nathan, Joe, "Shouldn't We Give Vouchers a Try?" Learning; v12 n1 p74-76, 78-79 Aug 1983. **ABSTRACT:** A voucher program would strengthen, rather than weaken, public education. If parents could choose their children's schools, additional learning opportunities would be stimulated and, as long as certain principles were established, the rights of minority groups and the poor would be safeguarded. Several alternative school programs are described.

Nelson, F. Howard, "Public Choice Models for Urban Education: Making Vouchers Feasible". Administrator's Notebook; v30 n2 p1-4 1982.

O'Neill, Dave M., "Voucher Funding of Training Programs: Evidence from the GI Bill". Journal of Human Resources; 12; 4; 425-45. Feb 1977.

Olivas, Michael A., "Information Access Inequities: A Fatal Flaw in Educational Voucher Plans". Journal of Law and Education; v10 n4 p440-65 Oct 1981. **ABSTRACT:** Examines 2 educational voucher plans: the California Initiative for Family Choice in Education and a proposal to extend federal Basic Educational Opportunity Grants to students in private schools. Contends that the plans will exacerbate educational inequality because of poor people's unequal access to and understanding of the necessary information.

Pacheco, Arturo, Educational Vouchers and Their Implications for Equity. Program Report No. 80-82. National Inst. of Education, Washington, DC, 1980. **ABSTRACT:** Examines the tension in any form of democracy between the public good, majoritarian consensus, and the rights of minority groups and individuals. Some proponents of educational vouchers plans suggest that putting more control in the hands of individuals through a laissez faire educational system will be in the public interest. Coons and Sugarman claim that the family is the ideal educational decision-maker, that the best interest of the child must be given priority in educational decision-making, that this "best interest" lies in the development of the individual's autonomy, and that the quality of education will improve if educational suppliers must meet the demands of their clients. Coon and Sugarman also argue that educational diversity would foster a consensus supporting the present political system, would prove more democratic, and would reduce racism while increasing integration. These claims have no basis in established fact, but instead form a political argument that appeals to the currently popular but conflicting desires held by a number of widely divergent groups across

the country.

Puckett, John L., "Educational Vouchers: Rhetoric and Reality". Educational Forum; v48 n1 p7-28 Fall 1983. **ABSTRACT:** Issues of parochial school participation, transportation finance, informational dissemination, rural school participation, and racial and economic segregation are examined in the context of current educational voucher proposals.

Puckett, John L., "Educational Vouchers: Rhetoric and Reality". Educational Forum; v47 n4 p467-92 Sum 1983. **ABSTRACT:** Discusses the history of the educational voucher concept and describes 3 voucher models: the Jencks "regulated compensatory" model, the Friedman "unregulated market" model, and the Coons "Family Power Equalizing" model.

Ralph, John H., "Vouchers Revisited: The Prospects for Education Vouchers in the Eighties". Oct 1982. **ABSTRACT:** Political and social changes that have increased the public's interest in educational vouchers are summarized in three categories: 1.) new support for the arguments made by voucher advocates, including Milton Friedman's free and competitive market for education, and Coons/Sugarman argument for the benefits of allowing parents to choose their child's education. Other support for the voucher system has come from James Coleman and some prominent civil rights leaders who suggest that educational vouchers are an attractive alternative for black families. 2.) recent shifts in the political climate, encompasses Reagan's emphasis on a competitive market place, evangelical religious groups with political leanings like the Moral Majority, and taxpayer-rights groups. 3.) changes, social and demographic trends, includes the lack of support for public schools; and aging population paying an increasing portion of property tax revenue; and the White population's declining proportion of public school enrollments in the 1980s.

Rasmussen, Roger L., "The Organization and Management of Schools Under a System of Parent Choice". 1976. **ABSTRACT:** Describes some aspects of the organization and management of 14 schools that have been participating in the voucher demonstration in Alum Rock. The kinds of alternative programs being offered, the allocation of decision-making within the participating schools, and the effects of parent choice are briefly discussed. An example contrasting the intentions of those who designed the demonstration with the actual system as implemented in the third year is used to illustrate one aspect of the process of planned change: appropriate resistance to the proposed reform by those whose legitimate needs have not been adequately considered.

Raywid, Mary Anne, "Public Choice, Yes; Vouchers, No". Phi Delta Kappan; v68 n10 p763-69 Jun 1987. **ABSTRACT:** Reviews positive benefits gained from diversifying the public school system and allowing a wider choice in school selection. Outlines the problems that would ensue from establishing an educational voucher system. Choice enhances teacher quality, student achievement, parent involvement, and public confidence in schools.

Raywid, Mary Anne, "Family Choice Arrangements in Public Schools: A Review of the Literature". National Inst. of Education, Washington, DC. Educational Policy and Organization Program, July 1985. **ABSTRACT:** Traces history of the school choice idea and examines in detail some contemporary family choice models. "Tracking" was the major

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choice mechanism in public schools prior to recent efforts to expand the options. The alternative movement within individual schools began in the late 1960's with many forms institutionalized in diverse ways, followed by program so choice for entire school systems. Choices among the educational components of curriculum and content, instructional methods, and teachers are limited by logical, ideological, political, and professional considerations. However, the choice arrangement evidenced in schools or units within schools has flourished. Looks at open enrollment; magnet schools; schools-within-schools; minischools; satellites and separate alternatives; and interdistrict choice plans. Points out neither localized alternatives nor those in an alternative system are without disadvantages. Concerned that the exit option may make overall improvement within the deserted institution less likely. However, for the benefit of all students, alternatives and options in schools offer the best hopes for educational improvement.

Raywid, Mary Anne, "The First Decade of Public School Alternatives". Phi Delta Kappan; v62 n8 p551-54 Apr 1981. **ABSTRACT:** Describes the origins of alternative schools within U.S. public school systems and the reasons for their rapid proliferations.

Sandler, Andrew B; Kapel, David E., "Educational Vouchers: A Viable Option for Urban Settings". Urban Review; v20 n4 p267-82 Win 1988. **ABSTRACT:** Reviews the history and use of educational vouchers in urban schools. Discusses their economic and social impact on the following areas: public schools; educational choice; equal education; and educational quality. Alternatives are also discussed.

Scott, James, "Choice in the Public Schools". ERIC Digest, Number 17. Office of Educational Research and Improvement, Washington, DC, Oct 1987. **ABSTRACT:** 3 principal choices in primary and secondary education include home schooling, attendance at private schools, and attendance at public schools nearest the home. However, parents feel that more options are necessary, due to the inadequacy of particular public schools or the need for educational programs not offered in public schools. Thus, educators have proposed other programs, such as magnet schools, work-based attendance, and voucher systems. But magnet schools and work-based attendance provide little choice, and some educators fear that voucher systems would result in instability. Another schooling option is the open enrollment policy of the Minneapolis Public Schools, which offers a wide array of programs. This policy is most effective in a district with a large population.

Severence, Melvin J. III, Education Vouchers Study & Planning Project. Final Report. National Inst. of Education, Washington, DC. 1976. **ABSTRACT:** This is the final summary report for an experimental program intended to plan, implement, and evaluate an educational voucher system in the NH communities of Allenstown, Candia, Deerfield, Hollis, Hooksett, and Salem. Sections of the report discuss the purpose of the voucher program, the background of the program, program procedures, program results, program products, the decision-making process utilized in the program, program outcomes not described in the Phase I and II reports, conclusions of the program staff based on public response to the program, and recommendations for the development of future experimental voucher programs.

Sivak, Marie Rose, The Educational Voucher System: A Monstrous Threat to Public Education. 1979. **ABSTRACT:** Analyzes use of the educational voucher system in four school districts across the country. Examines legal implications of using vouchers as public funding for education. The effect of the use of voucher son the school code of the state of IL is discussed in depth. Finally, the paper offers a review of attitudes for and against the use of vouchers for educational purposes.

Szanto, Hubert S. "California's Voucher Plan: A Private School Principals's Critique". NASSP Bulletin; v64 n437 p93-98 Sep 1980. **ABSTRACT:** Examines the impact the Coons/Sugarman voucher plan would have on both private and public schools. Expresses fear that religious schools would have to abandon their affiliation and that public schools would become dumping grounds for disorderly and low achieving students.

Walberg, Herbert J., Federal (Chapter 1) Educational Spending and Effects on Poor Children. Policy Studies in Education, April 1985. **ABSTRACT:** Analysis of the history of Chapter 1, the Fed program for the education of the disadvantaged, and a review of the research into the program's effectiveness show the inefficiency of Federal influence and funds in local schools. Chapter 1 has done little good for students -- it has neither raised achievement of the educationally deprived and poorest students, nor reduced the gap between them and other students. More Chapter 1 funds have often been spent on more nonpoor than poor students, and the program has put many of the poorest and most educationally deprived students at a greater disadvantage. Overall, Chapter 1 has consumed about \$38 billion for ineffective services that interfere with regular school programs. It has also interfered with other federal educational programs, so that its net effect may have been to contribute to inequality and to the declining productivity of America's schools. With such a record, Chapter 1 might best be terminated. Politically, this is unlikely. The program can, however, be improved in 2 major ways: First, policymakers could make better use of research on educational productivity and second, direct scholarships, modelled on the G.I.Bill, might be offered to poor student.

Weber, William M., "History of Education Vouchers in East Hartford, CT. The Parents' Choice Project: February 1975 - January 1976". National Inst. of Education, Washington, DC, 1977. **ABSTRACT:** Reports history of the E. Hartford, CT Parent's Choice Project, the planning phase of a proposed education voucher program financed by the National Institute of Education from 2/75-1/76. Based on the observational of an independent site historian, who attempted to be as unobtrusive in his observing and as nonjudgmental in his reporting as possible. A total of 41 site visits were made during the study. Includes the main issues and events by examining the 1/76 vote by the East Hartford Board of Ed to not pursue a 5-year experimental voucher plan. Discusses NIE's involvement in the Project and describes the participation of E. Hartford's 2 parochial schools in the project. Examines in chronological order a series of major topics that affected the overall course of the Project.

Wise, Arthur M; Darling-Hammond, Linda, "Educational Vouchers: Regulating their Efficiency and Effectiveness". Educational Researcher; v12 n9 p9-18 Nov 1983. **ABSTRACT:** Examines the assumptions that educational vouchers will mean less state control over education, more choice for parents, and education that serves the child's best

interest. the assertion that a voucher system will lead to more efficient and effective schools is examined in the light of five educational goals.

Wise, Arthur E.; Darling-Hammond, Linda, "Education by Voucher: Private Choice and the Public Interest". *Educational Theory*; v34 n1 p29-53 Win 1984. **ABSTRACT:** Evaluates the educational voucher system and how it may solve effectiveness and efficiency problems of the educational system through market accountability. Educational goals and state and community roles in reaching these goals are discussed.

Wortman, Paul M.; and others, "The First year of the Education Voucher Demonstration: A Secondary Analysis of Student Achievement Test Scores". *Evaluation Quarterly*; National Inst. of Education, Washington, DC v2 n2 p193-214 May 1978. **ABSTRACT:** The Education Voucher Demonstration began in the Alum Rock Union Elementary School District during the 1972-73 school year. Under the voucher concept, parents freely select a school for their child and receive a credit or voucher equal to the cost of the child's education that is paid directly to the school upon enrollment. It was presumed that this form of school finance would foster competition among the schools and improve the quality of education by making schools more responsive to students' needs. An initial external evaluation at the conclusion of the first year found, however, a relative loss in reading achievement for students in the 6 public schools that participated in the voucher demonstration. The present report reexamines some of these data using a quasi-experimental design involving multiple pretests and individual students' test scores (rather than school means) as the unit of analysis. The results appear to indicate that the deleterious reading effect of the voucher demonstration was confined to a few within-school programs featuring nontraditional, innovative curricula.