The Cleveland School Voucher Program: 
A Question of Choice (A)

I believe that the only way to make a major improvement in our educational system is through privatization to the point at which a substantial fraction of all educational services is rendered to individuals by private enterprises. Nothing else will destroy or even greatly weaken the power of the current educational establishment—a necessary pre-condition for radical improvement in our educational system. And nothing else will provide the public schools with the competition that will force them to improve in order to hold their clientele.

Milton Friedman
“Public Schools: Make Them Private,”

Supporters of school vouchers have launched an assault on the very concept of public education. Seizing on undeniable problems in our public schools, particularly in urban areas, conservatives are using vouchers and the seductive rhetoric of choice to further their goal of privatizing our schools and removing them from public oversight and responsibility.

“False Choices: Vouchers, Public Schools, and Our Children’s Future,” Rethinking Schools, Fall 1998.
In late August 1996, Bert Holt, director of the Cleveland Scholarship and Tutoring Program, was preparing for the launch of a much anticipated and hotly debated education experiment. The first group of 1,500 inner-city Cleveland children would begin to use publicly funded vouchers to attend private schools, including Catholic and other religious schools, within a week. Voucher advocates were already predicting great results for the pilot program—declaring that voucher students at private schools would get a better education than their public school counterparts, and that this first step toward privatization would put the public schools on notice, compelling them to address a record of student performance that was among the worst in the nation. Voucher opponents, on the other hand, were decrying the use of public funds to pay for private—and particularly religious—schools, claiming that the program was unconstitutional, and that the diversion of funds would be an unjustifiable blow to an already struggling public school district.

Bert Holt, who was wrestling with the logistical challenges of launching the program, had little time to engage in the philosophical debate over vouchers. But already, she says, the program had changed how people viewed public education, and had created a degree of choice that underprivileged children had never before enjoyed. Over the next few years, how the voucher program played out could have major implications for education reform across the country. “We have seen the last of the monopolistic school system controlled by monopolistic governing structures such as a department of education or a legislature who’s doling out the dollars,” she says. “I don’t care what anyone says, education will never be the same again.”

The Cleveland Public Schools

While the voucher program was a highly charged subject in Cleveland, no one argued with the fact that the city’s public school system was in trouble, and that something had to be done to improve urban education. In fact, the public schools had been in disarray for decades, hurt by Cleveland’s ailing financial base and altered demographics. Once one of the nation’s largest and most vibrant manufacturing centers, Cleveland had begun losing companies and jobs in the 1950s. The downturn in the city’s fortunes had led to massive middle class and white flight, with 50 percent of the white population moving out during the 1960s. The exodus continued during the ’70s and ’80s, spurred, in part, by the cross-district busing resulting from a 1976 federal school desegregation order. By the time a federal judge ended school busing in 1996, the district was 80 percent minority. The abandonment of the already economically beleaguered city by corporations and wealthier residents alike had decimated the tax base and left behind a foundering public school system.

During the late 1980s and early 1990s, Cleveland’s economy had experienced a renaissance of sorts. Investors had funneled more than $15 billion in development projects throughout the Greater Cleveland area in the decade ending in 1996, with more than half that amount targeted at the downtown. But while visible signs of the city’s resurgence abounded—ranging from the Rock
The district’s underlying problems—exasperated by antagonistic relationships among the mayor, the school board, the union, and the superintendent’s office—created an environment so unstable that eight school superintendents passed through in the 10-year period ending in 1994. In March 1995, a federal judge declared the system “in a state of crisis,” and ordered the state to take over the city’s schools, citing a $29.5 million deficit, a leadership vacuum, and long-standing infrastructure problems. The troubled Cleveland school district exemplified many of the problems facing urban school systems. In the eyes of some school reform advocates, it also offered an ideal laboratory for testing the proposition that competition was the key to school improvement. Such competition could be introduced through a voucher system allowing parents to enroll children in the school of their choice, whether public or private, with government funds covering all or most of the cost.

Conservative economist Milton Friedman had advocated a voucher system as far back as the 1950s, arguing that school choice should be available to all children, regardless of family income level. In the 1990s, backers of a voucher approach—an eclectic group that by then included both white conservatives and some inner-city African-Americans—believed that providing access to private institutions would not only permit children to escape failing public schools, but would provide the competition necessary to force the public schools to improve. In addition, some

advocates argued, privatization would inevitably reduce both government and union control over the schools, allowing the autonomy and innovation necessary to achieve significant improvement in the nation’s education system.

But the voucher concept had been adamantly opposed by teachers unions, education administrators, civil liberties groups, and even the National Association for the Advancement of Colored People (NAACP), who insisted that vouchers would only give choice to a select minority of children, while diverting resources away from the majority of students who remained in the public schools. Furthermore, they argued, there was no guarantee that private schools—which were not subject to the same scrutiny or regulations as public schools—would offer a superior or even an equally good education.

Despite growing national interest in vouchers, Milwaukee was the only US city in 1995 using publicly-funded vouchers to offer students a private school education. The Wisconsin legislation, implemented in 1990, had been written by state Representative Annette “Polly” Williams, a former welfare mother who wanted to give poor Milwaukee families a choice in where they sent their children to school. But conditions in 1995 for similar school reform in Ohio were ideal. The previous year, a governor’s commission on education chaired by David L. Brennan, an Akron businessman and major contributor to the Ohio Republican party, had proposed a voucher system for the state, an idea that intrigued popular Republican Governor and former Cleveland Mayor George Voinovich. Democratic Cleveland Councilwoman Fannie M. Lewis, inspired by Polly Williams’s efforts in Milwaukee, had taken up the cause, proposing Cleveland as the site for a pilot program.

With Voinovich’s backing, and a Republican majority in the legislature, the Ohio general assembly approved a two-year budget bill in June 1995 that included funding for a pilot voucher program in Cleveland. House Bill 117, while it was not the nation’s first voucher experiment, broke new ground in allowing students to use vouchers to attend religious schools.2

Initially funded at $5.25 million annually over two years, the program was intended to allow about 1,500 students in grades kindergarten through grade three to use vouchers worth a maximum of $2,500 to attend the private school of their choice, or a participating public school in an adjoining district. As envisioned, a new grade would be added each year until the voucher system reached through the 8th grade.3 Preference was to be given to low-income families, although the legislation did not place a specific limit on earnings. Depending on family income, a student would receive either 75 percent or 90 percent of the full $2,500 voucher, or of the actual private

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2 According to some observers, Voinovich, who had close ties to Cleveland’s Catholic diocese, had been motivated, in part, by the voucher program’s potential for increasing enrollment in the diocesan schools.

3 The Ohio legislature would evaluate the program and decide whether to continue it when it voted on the next state budget in two years. Even if the general assembly discontinued the program, those students already participating would be able to receive vouchers through the 8th grade.
school tuition, if that was less. Private schools participating in the program, the state legislation declared, could not discriminate on the basis of race, religion, or ethnic background, nor could they “advocate or foster unlawful behavior or teach hatred of any person or group on the basis of race, ethnicity, national origin, or religion.”

While advocates lauded the legislation as a critical step forward for school choice and an example for the rest of the nation, opponents vowed to fight the program in court.

Setting up the Cleveland Scholarship and Tutoring Program

In the second week of September 1995, the Ohio Department of Education contacted Bert Holt and asked her to direct the pilot voucher program, to be known as the Cleveland Scholarship and Tutoring Program. Holt, who had just retired weeks earlier from a long career in education that had included teaching in the Cleveland public schools, and running staff development for the Cleveland desegregation effort, says she accepted the job out of the belief that parents in the inner-city deserved the right to choose the best academic path for their children. Faced with the formidable goal of having the program running by the following fall, Holt simultaneously pursued three critical tasks: recruiting private schools, marshaling community support, and publicizing the voucher program so that interested and eligible parents would apply.

Holt did not have to rely only on the limited seats in existing private schools. In a 1995 position paper on vouchers, Milton Friedman had written, “Vouchers can promote rapid privatization only if they create a large demand for private schools to constitute a real incentive for entrepreneurs to enter the industry.” In Cleveland, that entrepreneurial role had been assumed by Republican contributor and former chair of Gov. Voinovich’s education commission, David Brennan, who had established a group, Hope for Cleveland’s Children, that was evaluating sites for five possible for-profit private schools to serve voucher recipients.

But the backbone of the Cleveland Scholarship and Tutoring Program would be established private schools already serving the central city. In most cases this meant Catholic diocesan schools. Indeed, the inclusion of religious schools in the voucher legislation had been less a philosophical choice than a practical necessity. Nationwide, religious schools were a major component of private education; in Cleveland they dominated it. Fully 98 percent of Cleveland’s private K-8 enrollment was at institutions with a religious affiliation, and 91 percent was at Catholic schools. Moreover, while an elite secular school might charge more than $10,000 a year,

4 Students whose family income was at or above 200 percent of the federal poverty guidelines received 75 percent of the voucher amount, while students with a family income below that amount qualified for 90 percent, or a maximum of $2,250.
5 House Bill 117 included a pilot program to tutor a limited number of Cleveland public school students, although this aspect of the legislation received far less attention.
the average tuition at a diocesan school was about $2,000, and some charged as little as $795 annually—well within the constraints of the voucher payments.7

Although Catholic schools had been seen as direct beneficiaries of the voucher pilot, Holt discovered that many religious school administrators were worried about the implications of accepting publicly funded vouchers. “Their major concern was that the bureaucracy would take them over, and that their religious activities would have to be curtailed,” Holt explains. These fears faded, however, when Gov. Voinovich’s office assured Holt that participating private schools would not be under the control of the state Department of Education, and that they could preserve their religious curricula intact. Not surprisingly, such assurances further angered many voucher opponents, who were already protesting the fact that public funds would be going to private schools that—unlike public schools—did not have to hold open meetings, administer state proficiency tests, or guarantee non-discriminatory admission to children with emotional, physical, or learning disabilities.

Ultimately, Holt was able to recruit 46 schools, the bulk of Cleveland’s private institutions. Much to her disappointment, however, the public schools in districts adjacent to Cleveland, which the bill had included as potential participants, refused to take part. When Holt called one superintendent to ask why he had turned down the offer, she reports that he responded, “Bert, I’m going to be honest with you. Your program stinks and the children are primarily black and poor.” It didn’t help, Holt says, that her employer, the state Department of Education, was not an advocate of vouchers. The department’s lack of support manifested itself in a number of ways, Holt says, ranging from irritating delays in setting up her office to more serious problems later on in arranging transportation for voucher students.

As she wooed school administrators, Holt was also trying to win community support—or at least to soften opposition—by meeting with ministers, foundation heads, business leaders, and other key stakeholders. Although the National Association for the Advancement of Colored People had opposed the voucher legislation, for example, Holt helped convince the president of the Cleveland Chapter not to speak out against the implementation effort, and to allow the pilot program to go forward.

She faced a more volatile reaction from some of her own friends and associates, many of whom were teachers and principals in the Cleveland public schools. One evening after a meeting of women affiliated with the nation’s oldest African-American fraternity, Holt recalls, a woman confronted her outside, accusing her of trying to shut down the public schools. “I said, ‘You should see this as a catalyst for moving the public schools forward,’” Holt recounts, “because if you can

7 As in other urban districts across the country, most of the student bodies of Cleveland’s religious schools had come to reflect the racial, economic, and religious makeup of the surrounding communities, which in the case of Cleveland typically meant poor, African-American, and Protestant. While religious instruction was important to some families, many parents simply wanted what they perceived as a safer, more disciplined, and more value-oriented learning experience for their children.
adapt the same kind of autonomy that the private schools have in your individual schools in the city of Cleveland, you may see some differences occurring.” When faced with criticism at another meeting, Holt asked the assembled African-American women what schools their children attended, and listened as they proudly listed several of the area’s most elite private schools. “I said, ‘Why are you withholding this opportunity for poor black parents and poor white parents in the city of Cleveland to have the same opportunity, and not even at the level that you have it?’” she recalls. “‘How dare you?’” She adds: “I haven’t heard from them since.”

Finally, to get word out about the new voucher program, Holt blanketed key locations in the city with information and application materials. In addition to mass mailings to families with children in or about to enter public school, Holt ordered radio, television, and bus ads, and left packets at libraries, neighborhood centers, churches, the Cleveland Metropolitan Housing Authority, nursery schools, Head Start programs, doctors’ offices, and beauty salons. The one-page application was due January 1, 1996.

Enrolling the First Voucher Students

On January 10, 1996, the 900,000-member American Federation of Teachers and a coalition including parent groups, school administrators, and civil libertarians filed suit seeking an injunction against the State of Ohio to stop the voucher program. The lawsuit filed in Franklin County Common Pleas Court claimed that the pilot program violated state and federal constitutional guarantees of separation of church and state, and threatened the public schools by funneling public funds to private schools. “The best cure for Cleveland’s school problems would be to create higher academic standards and higher standards of conduct for all of Cleveland’s public school students,” declared American Federation of Teachers President Albert Shanker. “These are the things parents want for their children in school, and these are the things teachers know work. That’s where improvement efforts should focus, not on a radical experiment with no evidence to support it.” A second and similar lawsuit was filed at the end of the month by a group including the American Civil Liberties Union of Ohio, Americans United for Separation of Church and State, and People for the American Way.

Although a decision on the court cases was expected before the school year began, Holt says she had no choice but to operate as though the legal challenge would fail. On January 8, two days before the first suit was filed, Holt held the first voucher lottery from among a pool of more

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8 David Brennan’s organization, Hope for Cleveland’s Children, had already begun sending out applications during the summer of 1995.
9 In fact, Cleveland’s public schools were not expected to be hurt by vouchers as much as the schools in Milwaukee, where the voucher amount was bigger to begin with, and was taken directly from the public school budget. In Cleveland, the state had set up a funding mechanism that allowed the public schools to keep what amounted to about 75 percent of the voucher students’ per pupil funding.
10 “American Federation of Teachers Files Lawsuit Against the State of Ohio Over Cleveland School Voucher Program,” US Newswire, January 10, 1996.
than 5,000 applicants. House Bill 117 had stated that in awarding vouchers, the scholarship program should “give preference to students from low-income families.” In order to benefit the neediest families, the Ohio Department of Education decided to give vouchers only to families whose income was below the 1995 federal poverty guidelines, or $15,150 for a family of four. In addition, although the legislation allowed for as many as 50 percent of the voucher recipients to be children already enrolled in private schools, the governor’s office reduced that share to 25 percent. Finally, the Education Department and Holt agreed that voucher participants should reflect as closely as possible the racial and economic demographics of the Cleveland public schools.

Five days after the lottery, Holt’s office began notifying voucher winners. Critics of vouchers had predicted that such a program would bleed the public schools of the most motivated families. The very act of filling out an application, opponents argued, displayed a level of involvement, financial commitment, and concern that went beyond that shown by many Cleveland public school parents (see Exhibit B for an application form). But according to Holt, parents who applied for vouchers were no different than those whose children remained in the public schools. “I have a mother who is in prison, for example,” she says. “I have mothers who are on crack cocaine. I have mothers who have four and five children, and I have mothers who are homeless.” At the same time, Holt says, private schools which, in many cases, had only made a few seats available to children with vouchers, were positively impressed by the parents they met. “Once the parents began to apply and they began to understand that these parents, indeed, were interested, intelligent, very hopeful, and had high aspirations for their children, schools began to expand their seating capacity.”

The logistical process of notifying parents, verifying income and residency, and helping parents contact participating schools, however, was a slow and drawn-out process, and Holt soon realized it was going to be difficult to award all the vouchers for which there was funding. Because a significant number of families had no phone or permanent address, Holt was never able to contact many of the scholarship winners to let them know they had won. Some 1,500 parents who were offered vouchers turned them down because the particular private school they wanted wasn’t available. Other applicants exceeded the income limit, or failed to provide the necessary verification.

The decision to award only 25 percent of vouchers to children who had previously attended private school further reduced the pool of qualifying students. Moreover, Holt speculates that some parents may have turned down scholarships because of the court challenge, fearing the program would be found unconstitutional before it even began. Finally, in one-on-one meetings, Holt counseled some interested parents to stay in the public schools. For exceptionally bright children, Cleveland’s Gifted and Talented program provided resources that few private schools could match, she says. Similarly, most of the private schools had a limited capacity for serving disabled or special needs children, and parents with such concerns often concluded after meeting
with private school administrators that their children would get more specialized attention in a public school.

By summer, the state Department of Education had calculated that the low tuition at participating schools would leave enough money to fund an additional 500 vouchers, bringing the total to 2,000. Since there still weren’t enough students to fill the original 1,500 slots, the department authorized a second round of applications, and raised the income limit to 200 percent of the federal poverty guidelines. Applications got another boost at the end of July 1996, just weeks before the new school year began, when Judge Lisa Sadler found the Cleveland voucher program constitutional, and ruled that there was no evidence it would harm the public schools. In her ruling, the judge argued that vouchers did not violate the First Amendment because the state was not giving public funds directly to schools with a religious affiliation, but to parents, who then made the independent choice of where the money would go. “It’s a clear victory for those low-income Cleveland parents who have sought expanded opportunities for their children,” declared Voinovich aide Thomas Needles. “It’s another step toward parental involvement, competition in our schools, and greater diversity.”11 Opponents, many of whom rejected outright the judge’s reasoning on the First Amendment, immediately vowed to appeal the case.

With the start of the program ensured, Holt turned to other concerns. Since May, she had been trying to coordinate transportation for voucher students with the transportation director from the Cleveland Public Schools, since under the legislation, transportation was the responsibility of the public schools. But at the end of August, the director told Holt no buses would be available. Without support from the Ohio Department of Education, Holt says, she did not have the clout to insist on cooperation. Over Labor Day weekend, Holt and her staff worked feverishly with a transportation consultant, finally devising a plan that utilized a few Cleveland school buses, but that relied primarily on what Holt hoped would be a short-term solution—taxicabs.12

Despite the transportation setback, the voucher program got underway with 1,500 students. Since the program still wasn’t full, the Department of Education—at Holt’s request—raised the income limit yet again, allowing applicants with incomes above 200 percent of the poverty index. Altogether, there were a total of 6,277 applications for that year, with almost 30 percent coming from students who already attended private school. Of the 1,994 students who eventually used vouchers—just shy of the 2,000-student goal—33 percent had been in public schools the previous year, 25 percent had been enrolled in private schools, and the rest were kindergarten children attending school for the first time. Critics noted that parents of kindergarten-age children may have applied for vouchers just to take advantage of the all-day kindergarten

11 Mary Beth Lane and Tom Breckenridge, “School Vouchers Ruled Constitutional in Ohio,” The Cleveland Plain Dealer, August 1, 1996.

12 As it turned out, the program would depend on taxis until early 1998, when the state superintendent of public instruction insisted that the Cleveland school system provide busing for most of the voucher students.
provided at most private schools, an “extra” that had been dropped from the public schools due to funding cuts.

Although the late date of the court ruling had caused uncertainty and delays, David Brennan’s organization managed to set up, staff, and equip two non-sectarian schools, Hope Central Academy and Hope Tremont Academy, bringing the number of participating schools to 48. The for-profit Hope Academies enrolled 25 percent of the voucher students new to private school, and 15 percent of participating students overall.

For Holt, the program’s launch was a moment of great promise. For the first time, she says, poor, inner-city parents were able to make the sort of choices for their children that many wealthier parents had long taken for granted. “Vouchers are opening the whole area of parents being able to select what is best for their child, academically and otherwise,” she says. But as advocates and opponents continued to clash over the legality and wisdom of the program, it remained to be seen how voucher students would fare, and what impact the experiment would have, not only on education in Cleveland, but on the national debate over the future of the country’s public schools.
## Vital Statistics

### FY1996 VITAL STATISTICS ON OHIO SCHOOL DISTRICTS

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### EXHIBIT A

APPLICATION FOR CLEVELAND SCHOLARSHIP AND TUTORING PROGRAM

PARENT OR LEGAL GUARDIAN INFORMATION

1. I wish to apply for:  
   [Check ONE only]
   [ ] SCHOLARSHIP   [ ] TUTORING GRANT   [ ] FIRST AVAILABLE (SCHOLARSHIP OR GRANT)

2. Name:
   (First) ________________________________ (Last) ________________________________ (M. L.) (Social Security Number)

   (Street Address) ______________________ (Home Telephone) ______ (Work/Alternate Telephone) ______

   (City) ____________________________ (State) ____________________________ ( ZIP Code) __________

3. Name of another individual who will know how to contact you if you are away or have moved.
   (Parent, Pastor, Neighbor, etc.) ____________________________

   (First) ____________________________ (Last) ____________________________ (Phone #) __________

* * * Priority for scholarships and grants are based on family income. Please answer the following two questions and attach a copy of your 1998 W2 FORM or Welfare Form showing income for all household members.

4. Number of family members living in your household. (Include yourself, your parent/guardians, all children, related and unrelated people whom reside at the residence.) ____________________________

5. Total income earned in 1998 by all household family members. (Include four [4] $ ____________________________
   (This includes, but is not limited to ADC/WOF, SSI benefits and 1998 W2 FORMS. Copies of these forms showing income must be attached in order to be eligible.)

CHILD INFORMATION (FOR EACH ADDITIONAL ELIGIBLE CHILD, PLEASE COMPLETE A SEPARATE APPLICATION)

6. Name ____________________________ (FIRST) ____________________________ (LAST) ____________________________ (M. L.)

7. Child’s date of birth __________ Month __________ Day __________ Year. (All Kindergarten applicants must attach a copy of birth certificate.)

8. Social Security Number (If child has one) ____________________________ ADC Number (If child has one) ____________________________

9. Grade child will enter for the school year 1999-2000. (Please circle the appropriate grade.)   K   1   2   3   4   5

10. School your child is currently attending: ____________________________ (School name)
     ____________________________ (School Address)


   I understand that if my child is awarded a scholarship or tutoring grant, I will be required to furnish at least 10% of the tuition amount which may require payment of as much as $250 or services in kind for scholarship or $36 for tutoring grant.

   I certify that all of the information on this application is true and correct.

   I understand that I will be asked to sign an affidavit verifying my income and city of Cleveland residency.

   I understand that this completed application does not guarantee that my child will be awarded a grant or scholarship.

   If my child is chosen to receive a scholarship or grant, I understand that I will be required to furnish additional information to the State before the award is made. Among the additional items of information will be a consent to release educational records, verification of residency and income.

PRINT OR TYPE NAME OF PARENT OR LEGAL GUARDIAN ____________________________ ____________________________

SIGNATURE OF PARENT OR LEGAL GUARDIAN ____________________________ DATE ____________________________

DEADLINE: To be included in the lottery selection your application must be returned on or before Wednesday, March 31, 1999.

Providing social security numbers is voluntary, however, a decision not to provide such information may result in delay of scholarship or grant payments.