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EFP Takeaways

Means-Tested Vouchers & Public School Performance

Background

Private school choice programs provide families with public funds to attend a private school of their choice. Proponents argue that private school choice programs induce competition and spur changes within the traditional public school system. However, the extent of the current literature on these effects is limited to programs in Florida and Wisconsin, and work examining competitive effects in differing policy environments is needed. The Louisiana Scholarship Program provides vouchers for students with family incomes at or below 250 percent of the federal poverty guidelines and was initially piloted in New Orleans in 2008. The program was expanded statewide in 2012. By exploiting variation in the geographic location of Louisiana private schools, Anna Egalite and Jonathan Mills estimate the competitive impact of the Louisiana Scholarship Program on public school math and ELA achievement. Their findings are published in vol. 16, issue 1 of *EFP*.

The Study

The authors examined data from 781,733 students in 939 public schools, of which 676 were eligible for vouchers. Both a school fixed effects model and a regression discontinuity design were applied in order to compare achievement outcomes before and after the policy's expansion in 2012. The school fixed effects model utilized geocoded competition measures capturing distance, density, diversity, and concentration to measure the variation in private school competition for each public school. The regression discontinuity design examined average treatment effect on the margin separating B and C schools, given that students were only eligible for school choice vouchers if they attended schools rated C or below.

Findings

Overall, results from both analyses found no statistically significant impact on student ELA performance. School fixed effects analysis revealed neutral to positive impacts that were small in magnitude in math performance. Analysis indicated the lowest-graded public schools experienced the largest effects from introduced competition. The competitive effects for "D"-graded public schools, which experienced the largest departure of students in the Louisiana Scholarship Program, ranged from null to 7 percent of a standard deviation, with effects exclusively concentrated in math. The largest statistically significant competitive effects was for math in "F"-graded schools. The authors concluded that public school performance in Louisiana was either unaffected or modestly improved as a result of the program. In order to encourage competitive effects, the authors recommend policy makers promote and maintain a high-quality, supply-side response in voucher programs (i.e. attracting high-quality private schools to participate).

For more details:

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- Summary of:
Egalite, A. J., & Mills, J. M. (2020). Competitive impacts of means-tested vouchers on public school performance: Evidence from Louisiana. *Education Finance and Policy*, 16(1).