

Summary of Floor Discussion

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The second session's discussion focused on the evaluation of school choice programs and the relationship between a school district's perceived quality of education and parental selection of neighborhoods. In particular, the participants discussed several factors—such as family background, suburban flight, and per pupil spending—that may have contributed to the results in the session's two papers and in other related research.

Derek Neal began by questioning an earlier study by John Witte on the Milwaukee Parental Choice Program, which Cecilia Rouse had cited in her paper. Witte's findings suggested that once a student's prior test scores were taken into account, there was no discernible difference in performance between the Milwaukee public schools and the private schools in the Milwaukee choice program. Neal said that because of errors in measuring test scores, Witte's results could have been biased against finding that Milwaukee's choice schools had a positive effect. Rouse replied that Witte had indeed not attempted to address this measurement issue.

Howard Chernick followed by asking whether the flight of relatively high-income families from Milwaukee to the suburbs might have skewed Rouse's evaluation of the Milwaukee program by removing above-average students from the system. Rouse responded that had such flight occurred after the program's adoption, it would have made the choice schools appear to be doing relatively better and the regular Milwaukee public schools seem to

be doing relatively worse. She pointed out, however, that to the best of her knowledge the flight phenomenon largely predated Milwaukee's adoption of a school voucher program.

Next, Jean McConnell sought clarification of the effect of family background on Rouse's findings. Rouse stressed that family background is a real, important effect that analysts must take into account when evaluating choice programs. When one does *not* control for family background, she said, the choice schools appear to be performing poorly—mostly because students eligible for the program come from less affluent families; when one does control for it, the choice schools perform better. Eric Hanushek then pointed out that in Milwaukee the choice schools spend only half as much per pupil as the public schools. Rouse noted that the figures cited by Hanushek significantly understate costs for the choice schools because they do not include federal subsidies and other income sources, omissions that make it difficult to determine which type of school actually spends more per pupil.

The discussion turned to Caroline Hoxby's paper. Ann Davis asked whether Hoxby's finding that families tend to move into districts with good schools can be clearly separated from the tendency of families to choose to live in neighborhoods where other families have similar social, financial, and racial characteristics. Hoxby said that this is an important consideration, but stressed that her research enables one to separate these effects because the ability to

choose a neighborhood based on the characteristics of its residents is always present, while the ability to choose a public school district within a metropolitan area may not always be. Parental choice of neighborhoods, she noted, will have more impact on the resources available to their children's schools in metropolitan areas with many small school districts (such as Boston) than in metropolitan areas with little or no choice of school districts (such as Miami). Hoxby also stressed that because many neighborhoods and schools are already highly segregated, the adoption of parental choice programs would not necessarily lead to further segregation.

Bill Andrews then asked whether Hoxby's earlier evaluations of charter schools had controlled for differences in the nature of such programs. Hoxby acknowledged that this is a very important question—adding that the exact nature of charter schools varies considerably across states in terms of degree of autonomy, financial independence, and continued exposure to regulation. While it is too soon to draw firm conclusions, she said, these differences are likely

to be quite important in the evaluation of charter schools, and some arrangements will almost certainly prove more effective than others.

Finally, Ronnie Lowenstein noted that per pupil spending tends to be lower in school districts where voters must approve the annual school budget—a pattern that could in part reflect the influence of elderly voters, whose children are no longer in the school system. Lowenstein wondered whether Hoxby's results were driven by the fact that voters in large districts are less likely to have control over school budgets than voters in small districts. Hoxby agreed that it is very important to understand how financial decisions are made. She pointed out, however, that although per pupil spending tends to be lower in small school districts, student achievement there appears to be higher than in large school districts. Nonetheless, Hoxby expressed concern over recent findings that districts with large numbers of elderly voters—particularly where these voters are not of the same race as school-age children—tend to support very low levels of public school spending.

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