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# INTRODUCTION

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Private school vouchers have experienced a revival of sorts over the past few years. They found a new audience in the Republican majorities that swept into office after the 2010 midterm elections. In 2011—the “Year of School Choice,” according to the *Wall Street Journal*—state lawmakers passed fifteen bills to create, expand, or restore programs that allow families to use publicly funded vouchers or tax credit scholarships to enroll in private schools.<sup>8</sup> Notable among these were Indiana’s enactment of a statewide voucher program with broad income eligibility limits that reach the middle class, the renewal of the D.C. Opportunity Scholarship Program, and a four-fold increase in the number of vouchers available in Ohio’s statewide EdChoice Scholarship Program. More recently, Louisiana expanded the New Orleans voucher program to the rest of the state.<sup>9</sup>

The success of private school–choice programs hinges to a significant degree on a robust supply of high-quality private schools willing and able to enroll scholarship-eligible families. According to economic theory on school choice, the new demand for private schooling that is generated by vouchers will be met by two sources: new schools will emerge in the marketplace and existing schools will find ways to expand their enrollment.<sup>10</sup> Yet empirical research on the supply side of the school-choice issue is scarce, and we know little about how the private school market is actually responding to voucher programs. As private school–choice programs expand to more communities and to higher income brackets, it becomes increasingly important to understand such factors.

This study examines how program regulations (including testing and accountability requirements) and other factors influence the participation of existing private schools. It consists of two components: A descriptive analysis of the regulations in relation to school participation rates in thirteen voucher and tax credit scholarship programs and a survey of private schools in five cities with prominent voucher programs.

## ❖ ORGANIZATION

The report is divided into four sections. The first provides some essential background, including a review of the origins of school choice in the U.S., an explanation of the difference between voucher and tax credit scholarship programs, and a look at the current national landscape of voucher and tax credit scholarship programs.

The second section is a descriptive analysis of the relationship between regulations and private school participation rates in thirteen choice programs (six voucher and seven tax credit scholarship programs) across ten states and the District of Columbia. Using data on close to 6,000 private schools from the Private School Universe Survey (PSS) and other sources, we estimate the participation rates of the programs, describe their regulations, examine the degree to which more regulation correlates with lower participation, and explore differences in how certain types of private schools respond to changes in regulatory burden.

The third section presents findings from a survey of 241 private schools in five cities with voucher programs (Cleveland, Milwaukee, Cincinnati, Dayton, and Indianapolis). The survey results shed light on the reasons behind schools’ decisions on whether or not to participate in the voucher programs. We pay particular attention to understanding the importance of regulations in such decisions, relative to other factors.

The final section summarizes the key findings from both components of the study and discusses implications for future policy and practice.