A PUBLIC SCHOOL VOUCHER DEMONSTRATION: THE FIRST YEAR AT ALUM ROCK DOCUMENTARY APPENDIX

PREPARED FOR THE NATIONAL INSTITUTE OF EDUCATION

DANIEL WEILER, STUDY DIRECTOR

R-1495/3-NIE

JUNE 1974

Rand
SANTA MONICA, CA. 90406

The research described in this report was done for the National Institute of Education under Contract No. B2C-5326. Reports of The Rand Corporation do not necessarily reflect the opinions or policies of the sponsors of Rand research.

Cover Design

The three middle schools currently participating in the Alum Rock voucher demonstration were invited to submit student art work for the cover of this report. The cover design is by Ronnie Patin, age 13, a student at the Sheppard Middle School.

Published by The Rand Corporation

A PUBLIC SCHOOL VOUCHER DEMONSTRATION: THE FIRST YEAR AT ALUM ROCK DOCUMENTARY APPENDIX

PREPARED FOR THE NATIONAL INSTITUTE OF EDUCATION

DANIEL WEILER, STUDY DIRECTOR

R-1495/3-NIE

JUNE 1974

Rand
SANTA MONICA, CA. 90406

PREFACE

This Documentary Appendix is the fourth in a series of Rand reports that describe and analyze the workings of an education voucher demonstration during its first year (academic year 1972-73).

All four volumes of the study were prepared pursuant to NIE Contract B2C-5326. The other volumes of the series are:

R-1495-NIE, *A Public School Voucher Demonstration: The First Year at Alum Rock*, Daniel Weiler, Study Director, June 1974

R-1495/1-NIE, *A Public School Voucher Demonstration: The First Year at Alum Rock, Summary and Conclusions*; Daniel Weiler, Study Director, June 1974

R-1495/2-NIE, *A Public School Voucher Demonstration: The First Year at Alum Rock, Technical Appendix*, Daniel Weiler, Study Director, June 1974

The Education Voucher Demonstration is a large-scale educational and social intervention that began in the Alum Rock Union Elementary School District, San Jose, California, in September 1972. First funded by the Office of Economic Opportunity, it is now sponsored by the National Institute of Education.

Since April 1972, Rand has been collecting and analyzing data related to the demonstration. Our work documents events and outcomes in the demonstration; analyzes social, political, economic, and educational effects of the demonstration; and identifies implications of the voucher concept for federal, state, and local education policies.

To provide the reader with additional background, this volume contains a number of important documents related to the first year of the Alum Rock demonstration: the district's transition voucher model proposal to OEO; two information booklets distributed to parents; the final report prepared by the district's voucher staff; and Senate Bill 600, the California law concerning voucher demonstrations, which was enacted in 1973.

CONTENTS

Preface	iii
Appendix A. Transition Model Voucher Proposal.....	1
Appendix B. <i>What is a Voucher?</i>	43
Appendix C. Educational Choices for Your Child: Program Alternatives, Alum Rock Voucher Schools, 1972	59
Appendix D. California Senate Bill SB 600.....	93
Appendix E. Final Report on First Year Operations of the Alum Rock Voucher Project	105

Appendix A

TRANSITION MODEL VOUCHER PROPOSAL

A PROPOSAL TO THE OFFICE OF ECONOMIC OPPORTUNITY
FROM THE ALUM ROCK UNION SCHOOL DISTRICT
FOR FUNDS TO SUPPORT A TWO-YEAR DEMONSTRATION
OF AN EDUCATION VOUCHER TRANSITION
SPRING 1972

I. INTRODUCTION AND SUMMARY

The Alum Rock Union School District requests a grant of \$ from the Office of Economic Opportunity to support the implementation of a transitional model of a voucher system over a two-year period. We request this funding for two years to insure the District against any possible disruptions resulting from policy decisions at the federal level. Furthermore, we wish to specify at the outset that our participation in this federally funded demonstration in no way should be construed to imply that there will be any dilution in the local control of education in our District. Final authority for all educational decisions in the District will remain with the Alum Rock School Board.

The main features of this proposal are summarized below. Cross references appear in brackets.

- I.1 The parents of each participating child will receive a voucher (or certificate) which will be worth the current average cost of educating a child in the Alum Rock School District. [See Section III.1]
- I.2 Each participating public school will develop two or more alternative, distinct educational programs. These alternatives will be developed with the active cooperation of the participating community. During the course of the experiment, we will cooperate in the development of programs sponsored by groups not currently in the public school system, and these programs, through individual contracts with the School Board, will be governed by the same rules as the public schools. [See Section III.2, III.7, III.9]
- I.3 Each parent will select for his child an educational program and school building in accordance with his evaluation of the educational needs of his child, and each child will be assured of placement in the first choice program. Students currently enrolled, and their incoming siblings also, will be guaranteed the right to remain in the school building they are presently attending. [See Section III.3, III.4, III.5]

- I.4 Admissions to each program and building will be made in a way that will maximize the satisfaction of each participant. Each new enrollee will have equal access to every program and building in the demonstration. If a building is over-applied, additional capacity will be created, whenever possible. If a program is over-applied, additional capacity will be created somewhere in the system so that each child will be accommodated in his or her first choice program. [See Section III.5]
- I.5 The vouchers of disadvantaged children will be enhanced by a "compensatory" voucher both to help the schools meet the special needs of these children, and to encourage schools to develop programs to meet these needs. [See Section III.1]
- I.6 The budget of each program will be determined by the voucher money brought by the children who enroll in that program. In the event of transfers, a child's voucher money will be divided equitably between the two programs that he has attended. [See Section III.1, III.5]
- I.7 Each program will be required to provide information about its philosophy, practices and finances, and this information will be made available to all participating parents. In addition, community counsellors will be provided to consult with parents about program offerings and their children's needs. [See Section III.4]
- I.8 A representative advisory board will be formed to advise the School Board and Administration on decisions relating to the demonstration. [See Section III.1]
- I.9 The community will participate actively in the operation and governance of the transitional voucher demonstration. Individual schools and programs will encourage parental participation at a meaningful level in their respective decisionmaking processes. [See Section III.1, III.2, III.3, III.9]
- I.10 An on-going evaluation of the transitional voucher demonstration project will be conducted. [See Section III.11]

The goals of this program are:

- I.11 To offer all parents in the demonstration area a range of choices for the education of their children. In particular, it is hoped that the right of educational choice presently available only to the affluent will be extended to the poor and middle income sectors of the community.

- I.12 To allow schools to become more responsive to the needs of their communities and to involve parents more meaningfully in their decision-making processes as a consequence of this revised procedure for allocating educational resources.
- I.13 To stimulate parents to take a more active interest and become more involved in the education of their children.
- I.14 To improve the educational achievement of the participating students.
- I.15 To increase the level of parental satisfaction with their schools.
- I.16 Funding Commitment

The Alum Rock Union School District requests that O.E.O.'s initial funding commitment be for two years. This request is made to insure the District sufficient time to phase out of the demonstration without adverse consequences in the event that the program proves unworkable or the agency's funding should be imperiled.

We recognize that the first year of this project will be a "transition" year, and this is one of the reasons for limiting the participation to six pilot schools. In the absence of unforeseen problems we anticipate a significant expansion of the program. We commit ourselves to expand the program to include approximately 8,000 to 10,000 students during the second year if the demonstration is successful; if not, we will phase out the project at the end of the second year. If the program is successful and enabling legislation is passed, we will survey the community and school personnel to assess the desirability of moving to a full voucher program. If the project is sufficiently expanded in the second year, we request O.E.O. to commit itself to fund the program at least through June, 1977, if this is consistent with its legal authority, so that a full five-year demonstration of the voucher concept can be carried out and evaluated. If this commitment is not legal, we require that O.E.O. guarantee at least one year of advance funding at all times in order to assure the District of an orderly phase-out in the event that decisions at the federal level should endanger funding for the project.

II. BACKGROUND

On July 15, 1970, a representative of the Center for the Study of Public Policy (C.S.P.P.) made a presentation to the Special Study Committee of the California State P.T.A. on the projected O.E.O. demonstration of educational vouchers. The Superintendent of the Alum Rock Union School District attended this meeting and invited the C.S.P.P. representative to come to Alum Rock in order to explore the possibilities of developing a demonstration. After a sequence of meetings between representatives of the C.S.P.P., O.E.O., Alum Rock Union School District, and community representatives during the summer, a decision was made to apply to O.E.O. for a grant to study the feasibility of undertaking an education voucher pilot project. The Alum Rock School Board approved this application by a unanimous vote of the members present at its meeting on September 3, 1970.

This application was accepted by O.E.O. and funds to carry out the feasibility study became available to the District in February, 1971. An Educational Voucher Committee (E.V.C.) was convened consisting of representatives of the public and private schools, business community, Governor's Office, existing community groups, and a student. The Center for Planning and Evaluation of the Santa Clara Office of Education (C.P.E.) was hired to provide technical support for the E.V.C. C.P.E. developed and distributed informational brochures, conducted opinion surveys, arranged for media coverage of the study, and generally provided staff work for the E.V.C., its chairman, and its executive director, the Deputy Superintendent of the Alum Rock Schools.

A series of public meetings was announced to discuss the issues with community residents and to solicit their reactions. The public meetings generated earnest and, at times, heated discussions and tended to draw the same group of interested people each time. It was difficult to assess the community's opinion from these meetings.

Surveys were then conducted which indicated a significant level of support from parents, teachers, and administrators. The surveys also revealed that many members of the community felt that they were not sufficiently informed to make a decision. An important feature of the study was the willingness of the Alum Rock teachers and their organizations to consider the proposal on its merits. Full details of the conduct and conclusions of the feasibility study can be found in the final report of C.P.E. to O.E.O. [Final Report- Alum Rock Union School District Voucher Feasibility Study]

In trying to draw up a recommendation to the School Board, the E.V.C. was faced with two crucial areas of uncertainty. First, in order to develop a full voucher demonstra-

tion, California state enabling legislation was required. Second, a School Board election was pending within a month of the end of the study, and there was some reluctance to impose a decision of such magnitude on new Board members. Therefore, the E.V.C. recommended that the Board postpone making a decision until enabling legislation had been passed.*

In the interim, the District applied to O.E.O. and received a continuing planning grant to fund a staff training program to explore the issues of increased decentralization and autonomy for principals and teachers in six pilot schools. The District hired the Center for Human Resources and Organization Development of San Jose, which began to conduct this training sequence in the fall of 1971. Its activities concentrated on developing the abilities of the various groups to improve communications and evaluate their own group processes. As a result the principals and staffs became eager for greater autonomy, with full awareness of the risks inherent in such a position.

In January, 1972, convinced that greater decentralization was desirable, but unable to move towards a full voucher system in the absence of legislation, the principals and central staff developed a plan which embodied many of the key features of the voucher model developed for O.E.O. by the C.S.P.P., and yet did not require enabling legislation for initial implementation.

The plan was further refined with the assistance of C.S.P.P. staff, and O.E.O. was asked to fund the modified plan. The Division of Experimental Research of O.E.O. indicated an interest in the project, provided that certain basic features of the original model were maintained. Subsequently, the staffs of each of the six pilot schools voted to participate in the proposed demonstration.

On March 8, 1972, the Alum Rock School Board unanimously authorized the Superintendent to develop a proposal to O.E.O. for the demonstration. Recognizing the need for community and staff participation in the development of the project, a three-day conference was held at Santa Clara University from March 21 to March 23 to write the first draft of the proposal. Fifty-five people participated in this conference: principals, teachers, and parents from the six pilot schools, representa-

* Time was also a factor, since California legislation does not take effect until sixty-one days after signing. This stipulation implied that even if enabling legislation did pass after the middle of July, no demonstration could be conducted during the following school year. Subsequently, the bill was defeated in committee, although similar legislation has been re-introduced in the current session.

tives of the teachers' organizations (A.R.T.A. and A.F.T.), P.T.A. representatives, central staff, and representatives from the C.S.P.P., H.R.C., and O.E.O. Small groups were formed and each was assigned to develop a position on one facet of the program. Each committee's preliminary results were typed and distributed to the whole conference and then new groups reviewed these outputs and suggested modifications. This sequence was repeated; final positions were negotiated by all the participants and adopted by consensus. This effort was extremely productive, and the recommendations produced by this conference provided the basis for the present proposal which was presented to the Alum Rock School Board at its meeting on April 12, 1972.

III. OPERATIONS

III.1 Voucher Mechanism

The voucher mechanism is a new system for allocating educational funds. Its underlying purpose is to improve the quality of a student's education by making schools more responsive to student needs and accountable for educational performance. Central administration, instead of transferring fixed amounts of money to individual schools, will issue vouchers worth a prescribed amount to the parents of all students who will be attending participating schools. The parents will select an educational program from the alternatives available and give their child's voucher to the school of their choice. In turn, schools will receive their financial support by redeeming the vouchers collected from students enrolled.

This process will permit families to express confidence in a given program by choosing to enroll their children in it, thereby allocating their educational dollars to support it. Schools and programs which are not attracting students will continue to lose resources until they respond to the needs perceived by the parents.

The vouchers will be issued in two parts. The first, or basic voucher, will be equal in value to the amount of money spent per child by the District in the preceding year, excluding the special funds indicated in Exhibit I.

The second, or "compensatory" voucher will be allocated to disadvantaged students to permit schools to meet the special needs of these children, and to encourage schools to develop programs to meet these needs. The compensatory voucher will defray the additional expense of educating children who traditionally have fared most poorly in the

schools. It will provide for additional services without adding to the financial burden of the school they attend. The confidentiality of children receiving the compensatory vouchers will be preserved. It is important that the recipients of compensatory vouchers not be publicly identified. The creation of a special class of "compensatory" students would be likely to produce adverse educational and personal reactions among students and faculty. When schools redeem vouchers, they will receive the amount attributable to the compensatory students enrolled. Guidelines for confidentiality will be developed locally. Compensatory voucher recipients will be identified solely for educational and management purposes.

A school may then provide the educational services its students require without reference to whether or not a specific student is a recipient of a compensatory voucher. The net effect of this will be to help remedy the somewhat arbitrary test of eligibility described in the conclusion of this section and provide equitable educational opportunity for all children enrolled in the school.

III.1.1 Computation of Basic Voucher

As noted above, the first or basic voucher will be equal in value to the amount spent per pupil in the preceding fiscal year. The amount budgeted in 1971-72 was \$678.98 for K through 6th and \$966.54 for 7th and 8th grades. The difference in amounts is due to higher program costs in 7th and 8th grades because of departmentalization.

In determining the amount of actual per pupil expense we omitted special program funds, such as Building Fund, Repayment Funds, and Miller-Unruh Funds, to identify the ongoing cost of education in the District. Exhibits I and II are based on the final budget, 1971-72, Alum Rock Union School District, dated August 9, 1971, and student enrollment data as of February 28, 1972, taken from Alum Rock Union School District enrollment report form A-104.

EXHIBIT I - BASIC ENROLLMENT DATA AND EXCLUSIONS FOR CALCULATING
BASIC VOUCHER VALUE

Enrollment Report as of 2/28/72	Total Enrollment	<u>15,890</u>
	Enrollment minus Special Education Students	<u>15,192</u>

Voucher School Enrollment		<u>w/Special Ed. Students</u>
Cassell	701	734
Pala (M.S.)	547	558
Meyer	707	750
Miller	542	566
McCollam	578	630
Goss	<u>651</u>	<u>651</u>
Total	3,726	3,889 (3,331 elementary + 558 middle school)

1971-1972 Budget

Total Budget	\$14,156,976
--------------	--------------

Deductions

OEO + PL 874	112,756
Federal Funds	912,351
Preschool Aid	85,151
Special Education	638,185
Miller-Unruh	96,530
Mentally Retarded	79,281
Bldg. Fund Repayment	40,761
Public School Bldg. Fund Repayment	729,151
Educ. Handicapped	27,656
Children's Center	<u>4,000</u>
	\$ 2,725,822

Budget - minus deductions	\$11,431,154
---------------------------	--------------

EXHIBIT II - PER PUPIL COST ANALYSIS BY ELEMENTARY SCHOOL COSTS,
MIDDLE SCHOOL COSTS AND GENERAL ADMINISTRATION
COSTS

(Excluding Federal Funds and Special Education)

Total Students (including Special Ed.)	15,890
Middle School	4,297
Elementary School	11,593

Elementary School Costs

Salaries & expenses (\$4,995,410/11,593 students)	\$ 430.90
Music (67,283/11,593 students)	5.80
Miller-Unruh (Local contribution 38,679/11,593)	3.33
General Administration costs (see below)	238.95
Total Elementary School PPC	<u>\$678.98</u>

Middle School Costs

Salaries & expenses (\$1,427,166/4,297 students)	\$ 332.13
Art (83,138/4,297)	19.35
Foreign Language (34,780/4,297)	8.09
Home Economics (94,944/2,149 girls)	44.18
Industrial Arts (96,407/2,149 boys)	44.86
Math (175,407/4,297)	40.82
Music (114,485/4,297)	26.64
P.E. (165,108/2,149 boys)	76.83
P.E. (160,587/2,149 girls)	74.73
Reading (38,483/4,297)	8.96
Science (73,283/4,297)	17.05
Interscholastic sports (10,100/4,297)	2.35
Library (67,306/4,297)	15.66
Counselling (70,218/4,297)	16.34
Subtotal	<u>\$ 727.99</u>
General Administration costs (see below)	238.95
Total Middle School PPC	<u>\$ 966.94</u>

General Administration Costs

Summer Session (\$79,945/15,890)	\$ 5.03
Home and Hospital (10,575/15,890)	.67
Mentally Gifted Minors (85,367/15,890)	5.37
Basic Supplies (68,000/15,890)	4.28
Educ. Media (118,540/15,890)	7.46
Instruct. Admin. (36,438/15,890)	2.29
R & D (8,490/15,890)	.53

General Administration Costs (cont'd)

Special Services (Local costs)(62,630/15,890)	\$ 3.94
Central Dupl. (18,660/15,890)	1.17
Inservice Education (115,199/15,890)	7.25
Meals for Needy Pupils (32,918/15,890)	2.07
Home-School Bussing (183,467/15,890)	11.55
Nursing Service (187,233/15,890)	11.78
Psychological Services (94,688/15,890)	5.96
Governing Board (261,043/15,890)	16.43
Attendance Service (43,438/15,890)	2.73
District Administration (56,103/15,890)	3.53
Leave Program (7,000/15,890)	.44
Personnel Services (97,532/15,890)	6.14
Business Services (209,295/15,890)	13.17
Fringe Benefits (787,759/15,890)	49.58
Maintenance (340,689/15,890)	21.44
Operations (793,111/15,890)	49.91
Community Relations (14,850/15,890)	.93
Community Relations (12,642/15,890)	.80
Community Use of Facilities (25,990/15,890)	1.64
Community Action Program (3,000/15,890)	.18
Community School (Local costs)(13,258/15,890)	.83
Total General Administration PPC	\$ 238.95

III.1.2 Computation of Compensatory Voucher

We propose that the amount of the compensatory voucher be one-third of the amount of the basic voucher, and that the test for eligibility for the compensatory voucher be the self-declaration by the family of eligibility for free federally funded lunch programs. The purpose for establishing this means test for compensatory vouchers (rather than educational criteria) is the relatively high correlation between student performance and family income and the relative ease of determining eligibility. In addition, the annual income eligibility for receipt of free lunch in California is \$4,000 for a family of four which approximates the income poverty guidelines used by the Office of Economic Opportunity.

We have discarded one seemingly convenient index of family income, eligibility for AFDC, because upon examination it is of limited utility. Typically, AFDC eligibility is contingent on the absence of the head of the household, and we believe that any criterion which tends to exclude families with both parents contradicts the objectives of the program. The use of AFDC case-load figures skews the statistics purporting to represent the actual number of disadvantaged students in Alum Rock.

The maximum amount of money for distribution to participating disadvantaged children in the form of compensatory vouchers is \$442,070. This dollar amount is determined by estimating the percentage of children who would be eligible to receive free lunches if they ate in school. For computational purposes, we have assumed that roughly the same percentage of children who now receive free lunches would be eligible for them in the demonstration and therefore eligible for compensatory vouchers.

This \$442,070 represents the maximum number of dollars available for distribution for initial year compensatory funds for the six school demonstration. Eligibility for a compensatory voucher will be determined solely by eligibility for the free lunch program, not participation in it. No child may receive a compensatory voucher worth more than one-third of the value of the basic voucher as projected in this proposal. In the event that there are more children eligible for compensatory vouchers than we have projected, the amount of each compensatory voucher will be reduced so that each eligible

child can receive his share of compensatory funds within the fixed budgetary figure. Any unutilized money in the compensatory voucher fund will be carried over to the compensatory voucher funds for the next year of the project, but that year's grant will be reduced by that amount.

Exhibit III displays the calculations used to arrive at the amount of the compensatory voucher.

EXHIBIT III - COMPENSATORY VOUCHER COST ANALYSIS

Five Elementary School Enrollment + 6th Grade Pala	3,423	
50% Eligible for Compensatory Voucher	1,711	
1/3 of Elementary School Basic Voucher	226	
Eligible Students x Comp. Value (1,711 x \$226)		\$386,686
One Middle School Enrollment (7th & 8th Pala)	466	
27% Eligible for Compensatory Voucher*	126	
One 7th Grade (Goss)	92	
50% Eligible for Compensatory Voucher	46	
Total Eligible Middle School Students	172	
Eligible Students x Comp. Value (172 x \$322)		<u>\$ 55,384</u>
Total Compensatory Voucher Value		\$442,070

Per Pupil Compensatory Voucher:	K-6	\$226
	7-8	\$322

An inconsistency appears to exist between the first two exhibits and Exhibit III because of the limitations of the existing accounting systems: current records do not display any excess costs for sixth graders enrolled in Middle Schools. We treat sixth grade costs as equal to the cost of every other grade, K through five, because the permissive override tax monies used to support middle schools are restricted by law to seventh and eighth grades.

* As defined by eligibility for free lunches.

III.2 Participating Schools and Programs

Six schools* within Alum Rock District have been selected for the initial demonstration project, with a target date of September, 1972.

The six schools with the number of faculty, administrators, classified employees and students as of February, 1972, are:

		<u>Faculty</u>	<u>Admin.</u>	<u>Class.**</u>	<u>Students</u>
Cassell	(K-5)	29	1	13	734
Miller	(K-6)	22	1	11	566
McCollum	(K-5)	24	2	9	630
Meyer	(K-5)	32	2	12	750
Pala	(6-8)	29	2	14	558
Goss	(K-7)	26	1	9	651
					<hr/> 3,889

These six schools and their attendance areas comprise a nearly contiguous geographic area approximately 3 miles long and 2 miles wide.

III.2.1 School Autonomy

The single most important change in the six participating school buildings from the standpoint of school administration will be the emergence of autonomy. The need for this is clear: because a program derives income by redeeming vouchers submitted by students enrolled, its staff members must be in a position to tailor their offerings to their students' needs; otherwise, this form of accountability is meaningless. Thus, we foresee the program administration and staff as exclusively responsible for their own policy and curriculum.

III.2.2 Program Management

The requirement that each school offer at least two distinct programs presents interesting organizational challenges and opportunities, and we have explored the idea of programatic organization rather than building organization. In this case, a "principal" would become an educational

* Throughout this proposal we shall consistently distinguish between "schools" (meaning buildings) and "programs" referring to the distinct educational alternatives within each building.

** Includes part-time paraprofessionals.

program manager who would be responsible for one or more programs which would be conducted simultaneously in several buildings. Although this does run counter to a literal interpretation of building autonomy, it correctly emphasizes the primacy of educational programs in this proposed pilot project.

Because we have no actual experience in inter-building program management of the kind we visualize, we cannot project a final model of school organization. It is likely, however, that some blending of styles will emerge as the dominant form. The more traditional, which leaves the building principal in charge of all programs within his school, embodies the disadvantages inherent in a situation in which loyalties conflict. Can a principal adequately manage two programs when he is personally convinced one is superior to the other?

Alternately, can a principal do any program justice if he is not wholeheartedly committed to the educational superiority of a single program?

The other organizational style consistent with multiple program offerings, the program manager, provides unitary management of the single program in the building or buildings in which it is offered. The principal program manager would retain a "home base", but he would not manage a building as a whole. In turn, routine building administration would be handled by a "building" manager, similar to business managers.

Theoretically, the use of program managers and building managers has much to recommend it. Program managers can ration time in response to teaching and administrative responsibilities. For example, programs that are modest in size, or that require relatively small administrative supervision can be conducted by a teaching program manager. As programs enlarge or become complex, the program manager's direct teaching duties can be reduced. The important point is that program management, as we envision it, provides needed flexibility in an experiment of this kind and may provide a new form of school organization.

Similarly, a building manager's services can be provided under contract for one or several buildings, freeing program managers to invest more time and energy in the instructional program.

The theoretical advantages and disadvantages of each method are several; the program management concept may lend vitality to the various programs, but it could create a larger administrative overburden than the traditional arrangement. Questions of this kind cannot be answered in the abstract and should be treated as one of the many issues

that the experiment itself will help to resolve.

III.2.3 Middle Schools

A special problem exists for our proposed demonstration with regard to middle school children. Only one of the six participating pilot schools is a middle school, and consequently the choices available to these children would seem to be rather limited. Nevertheless, we believe that this school (Pala) should be included for several reasons:

- 1) The fact that only one middle school will participate during the first year does not imply that middle school children will have no choice; the transitional voucher model is set up to create program alternatives within existing buildings, and therefore program options will be available to participating middle school children.
- 2) Other participating K-6 schools have indicated a strong interest in developing programs to attract middle school students during the first year, and this development will provide additional options for these children.
- 3) In the anticipated expansion of the transitional voucher model during the second year, additional middle schools will probably participate; we would consider this to be a highly desirable development, and we believe that Pala's participation in the first year will make it more likely that other middle schools will enter the program next year.
- 4) The problems of middle school education are some of the most pressing ones facing American educators, and every effort should be made to encourage innovation in this area; Pala's participation will certainly contribute to such exploration.
- 5) The principal and staff of Pala are very eager to participate in the project, and it would be a tangible loss to dissipate this support by excluding Pala from the first year of the program.

III.2.4 Program Development

In order to develop alternative programs within the limited time available before September, 1972, we foresee the

need for intensive program development work throughout the spring and summer. We expect parents to be involved extensively in this development process, and funds must be available from OEO to pay school personnel and parents for the extra time which they contribute to this planning process. Further discussion of this aspect of the program will be found in Section III.6.2, In Service, and Section III.12, Finance, which includes the proposed budget.

III.2.5 New Schools

We foresee additional educational alternatives being offered by groups within our present system as well as groups not currently associated with our public schools. We will encourage such outside groups to participate in order to enrich the range of choice being offered to students and to allow new approaches to enter the system without unnecessary obstacles.

These new programs could arise in the following ways:

- a) Existing schools could "spin off" new programs in response to needs emerging during the year.
- b) Additional public schools could opt to enter the transitional voucher program.
- c) Community groups could develop new programs in cooperation with local or outside educators by making their proposal to the E.V.A.C. (III.6.4).
- d) Outside groups could develop programs and try to interest parents in supporting them.

An extended discussion of the rules and procedures governing new schools will be found in Section III.9, New Schools.

III.3 Participating Children and Their Families

The children participating in the voucher program will be those who would normally attend the six pilot schools. The population is heterogeneous with significant minorities of Spanish surname (48.9%), Black (10.7%), and Asian (3.7%) students.

III.3.1 Guarantees of Real Choice

In principle, the voucher mechanism offers a choice to all participating students, but it is clear that this choice could be illusory because of the absence of alternative programs, parents' unawareness of the existence of certain programs, difficulty in obtaining transportation to the program of choice, limitations of capacity in popular programs,

or preferential admissions procedures that might exclude "undesirable" children. In order to guarantee a real choice to each child, we propose the following safeguards.

III.3.2 Existence of Alternatives

Each participating public school building shall offer at least two (or more) distinct programs. These programs will be chosen and developed by the staffs of each school in cooperation with the people of the community which they serve. We propose that OEO provide funds to support these planning efforts (see Section III.6.2. for further details). In subsequent years new offerings could be developed by groups of educational innovators from inside or outside of the public school system. The conditions under which outside groups would be permitted to participate are described in Section III.9, New Schools.

III.3.3 Transportation

In order to assure that each child can attend the school of his choice, transportation must be provided to supplement the bussing services presently being offered by the Alum Rock School District. Any incremental bussing costs will be paid by OEO.

III.3.4 Counselling and Information Dissemination

In order to guarantee that each parent will be fully apprised of the nature of the demonstration and the alternatives available to his child, we propose to inform parents through written notices, public meetings, media presentations, and existing community organizations. Furthermore, we propose to create a group of knowledgeable community counsellors with bilingual capacity who will conduct an outreach program to assure that every eligible parent will be contacted. The details of this effort are described in Section III.5, Information and Counselling.

III.3.5 Open Enrollment

All newly entering children (either kindergarten or transfers) will be free to apply to any program in any school in the demonstration and will have equal chance of success to any program and school. For children presently attending these schools, however, we recognize the strong feelings of parents (both majority and minority) that their children should not run the risk of being uprooted unwillingly from

their present schools because of this demonstration. Therefore, we intend to guarantee to every child presently enrolled the right to remain in his present building. This still leaves such a child with the choice of alternatives within his present school or the option to voluntarily apply to another school. Younger siblings entering kindergarten should also enjoy preferential admission to the schools which their older siblings attend.

III.3.6 Variable Capacity

In order to maximize the possibility for each child to gain access to the education of his choice, we intend to encourage the development of a variable capacity in each program. In particular, we envision the possibility of staggered scheduling, use of portable classrooms, intensive use of underutilized space, and, when necessary, the extension of programs into other buildings. The six schools selected for the pilot project currently have 10% excess capacity on the average. Finally, if a group of parents is still not satisfied with the choices available, the voucher mechanism offers the realistic possibility for them to start new programs. We propose that OEO provide start-up money to assist such groups through their planning phases. While we have not reached a final conclusion on the precise mechanism for making start-up funds available, we do believe that vouchers should be used for start-up as well as operating funding. A start-up fund will be set aside and money will be allocated to a new school in an amount proportional to the number of children who commit themselves to attend it. In addition, a group of parents interested in starting a new school might be permitted to draw a fixed amount against anticipated vouchers to provide start-up funding. "Vouchering" the start-up system is highly desirable in that it reduces the likelihood of whimsical or capricious requests for new programs. At the same time it will maintain a constant relationship between prospective program size and funding for program planning and program implementation. More detail is provided in Section III.6.

III.3.7 Special Education

Many features of the voucher concept are already standard practice in the field of special education. Parents of children eligible for special education programs can choose whether or not to enroll their children in special education classes. Furthermore, the special education funds allocated to these programs are proportional to the number of children enrolled.

Several of our participating pilot schools currently operate programs for approximately 165 special education pupils, and the question has been raised whether or not these children should be included in the voucher demonstration. We believe strongly that they should be included for the following reasons:

- 1) Special facilities have already been set up with special state funds in some of the participating schools, and these could not be moved.
- 2) Furthermore, we believe that for most of these children segregating them at all times is educationally unsound; we currently make considerable effort to assure that a significant amount of their time in school is spent in regular classes. Because of these two factors a very awkward situation would be created if the special education children were excluded from the voucher process.
- 3) Since one of the goals of the OEO project is to improve the education of disadvantaged students, we believe that it would not be sensible to exclude special education students from the benefits of the voucher program, particularly the additional funds that would be available through the compensatory voucher.

We wish to specify that funds earmarked for special education will be available only at schools where special education programs are offered; if a parent of an eligible child chooses a different program in the demonstration, that child's special education funds will not be permitted to follow him.

Finally, special education funds will not be included in the computation of the compensatory voucher for special education children; their compensatory vouchers will have the same dollar value as those of other children in the demonstration.

III.4 Counselling and Information Dissemination

III.4.1 Information Agency

A thorough program of informing the parents about both the nature of the voucher mechanism and the educational alternatives available is essential for the effective operation of this pilot project. Therefore, we propose to establish a single, centralized educational information unit to collect and verify information about the participating schools and transmit this data in a comprehensible way to parents. In order to carry out this task, we shall require each participating program to submit detailed information

about its programs and finances to the information unit.

III.4.2 Required Information

In particular, we shall require the following information:

- a) Educational philosophy and program: Each program will submit a statement describing its method, emphasis, techniques, philosophy, and objectives.
- b) Staff profile: A description of the teaching and administrative staff, including years of service, educational background, specialties, etc.
- c) Budget: A breakdown of the program's budget indicating amounts and percentages spent on salaries, equipment, materials, etc.
- d) Governance: A description of how policy decisions are made in the program, including the extent to which parents are involved in the process.
- e) Class size: The number of children per certified teacher, the number of aides, and the total number of children per adult.
- f) Evaluation: A statement of how the students, teachers, and the program itself will be evaluated. For example, will students be graded? How will parents be informed of their child's performance--report cards, conferences, written evaluations, or not at all? Will children and/or parents participate in the evaluation of staff and program?
- g) Communications: A description of how the school intends to communicate with parents (written notices, meetings, conferences, home visits, telephone conversations). This statement should include some indication of the desired level of parent involvement, (e.g., one hour per month during school hours, supervision of homework assignments, attendance at P.T.A. meetings, etc.).
- h) Other information: Each school should be entitled to submit additional information which it considers important for parents to know. Furthermore, as the demonstration proceeds, additional information may be required in response to requests from parents or suggestions from participating schools.

III.4.3 Channels of Information

Recognizing the difficulty and importance of reaching every parent, the information unit will use a number of communication channels to assure that each parent is informed, including:

- a) **School meetings:** Meetings to present the voucher concept and discuss the available educational alternatives will be held in each of the six schools. The scheduling of these meetings will be staggered to allow parents who miss their meeting to attend one at another school. Announcements of these meetings will be in English and Spanish and an interpreter will be present at each meeting to present the information in Spanish.
- b) **Written material:** Written information explaining the demonstration and providing information on available programs will be distributed to each parent. This material will be available in Spanish and English; it will be presented in a short form at a simple reading level, and also in a more extended and detailed format. Each parent will receive both of these documents.
- c) **Media:** Every effort will be made to use radio, television, and newspapers to present basic information about the demonstration and the alternative programs.
- d) **Individual meetings:** Parents who do not respond to the foregoing measures will be individually contacted by community counsellors. Furthermore, parent conferences may be arranged including combinations of the following people: parents, children, teachers, principals, community counsellors, or other interested parties.

III.4.4 Timetable for Parent Counselling

We intend to devote the entire month of May to providing information and counselling to the approximately 3,000 sets of participating parents. These parents will first be contacted by a mailed letter which will briefly outline the nature of the proposed demonstration and the alternative programs of all of the six schools and will also include an invitation to parents to attend a meeting which will attempt to further explain the program. In addition other available sources of information will be identified such as home visits, or individual school contact. The parent meeting will be followed by parent-teacher conferences and counselling to determine the best possible placement of the individual

child, and we will encourage the child to participate in this. We will contact all parents by mail, phone, or personal meetings by the end of May.

Before June 9 all parents will be required to submit their preferences for the programs and school buildings of their choice. The details of this procedure will be discussed in Section III.5, Admissions.

A team of bilingual counsellors will continue to deal with problems directly related to this program throughout the year.

The counselling staff will consist of counselling teams with bilingual capacity, each including one professional and several para-professionals.

III.4.5 Expected Questions from Parents

The following questions are some of those to which counsellors should be prepared to respond:

- a) What will the role of the teacher be in counselling?
- b) What will the role of the parent be in counselling?
- c) What is the program about?
- d) Where is it going to be located?
- e) Which schools are involved and why?
- f) Is participation voluntary?
- g) What happens to parents who don't want to be involved?
- h) Will it be possible to transfer from alternative programs to traditional programs?
- i) Why is Pala the only middle school involved?
- j) What effect will this have on primary school graduates?
- k) Will the program include kindergartens?
- l) Is it possible to expand participating K-5 or K-6 to K-8?
- m) How are the children going to be transported?
- n) What happens if a parent is not satisfied with his choice?
- o) How difficult will it be to switch a child if a program does not suit him?
- p) Is there cost to the parent?
- q) Will this affect our taxes?
- r) Will there be a quota in schools or programs?
- s) How will the admissions procedure work?
- t) What happens to a child who can't adjust?
- u) Where can I get more information?
- v) How will this affect special education classes?
- w) Will children be in reading groups?
- x) How do we assimilate volunteers into alternative schools?

After the children have been placed in the programs of their choice, an ongoing counselling effort will be maintained

during the year to inform new residents, advise transferring students, and prepare parents whose children will be coming into the program during the 1973-74 academic year.

The para-professional counsellors will be residents of the demonstration area who know many of the people in their communities. Spanish speaking para-professionals will be employed as needed to ensure adequate communication with Spanish speaking families.

III.5 Admissions

Because one of the key elements of a voucher system is the maximization of parental choice in selecting a student's school, a carefully designed admission procedure is essential. We propose a system of open enrollment within the six participating schools subject to the constraints listed below.

III.5.1 Current Enrollment

Children currently in attendance at a given school building must have a right to continued attendance. We are convinced that any system that would "bump" otherwise satisfied students and their families would be wholly unacceptable in Alum Rock. Moreover, preferential treatment of siblings must be included if the experiment is to succeed. The prospect of members of the same household involuntarily attending different schools is unacceptable.

Beyond this, we believe that each incoming or transferring student should have equal access to every program and building in the demonstration. Furthermore, we believe that each child should be guaranteed access to the program of his choice, although we cannot necessarily guarantee that he will be able to attend this program in the school building of his choice. In the event that a given program in a given building is over-applied, presently enrolled pupils and their siblings who apply will be admitted, and the remaining places will be allocated on the basis of a fair and impartial selection procedure among the rest of the applicants. Those students who are not selected will have the right to enter the same program in a different building or else apply to a different program in the original building or some other building.

III.5.2 Integration

From the figures presented in Section III.3 on the ethnic makeup of the participating schools, it is clear that they are presently well integrated. Therefore, by guaranteeing

present enrollees the right to remain in their present schools, we minimize the possibility of increasing segregation. While we are firmly committed to prevent racial polarization from developing, we believe that this admissions procedure will maintain a high level of integration in each school and provide parents with the opportunity to demonstrate their commitment to good education rather than to racial bias. In the unlikely event that segregated enrollment patterns do emerge during this demonstration, we are prepared to assure racial integration in whatever way is necessary. It will be the responsibility of the Educational Voucher Advisory Committee to report quarterly to the School Board on the racial and ethnic composition of the various schools.

III.5.3 Excess Capacity

Each of the six participating schools at the current time has approximately 10% excess capacity. This fact will be of great importance in the initial period of the pilot project. While we do not know in advance the number of transfers that will result, the excess capacity of the various schools will minimize dislocations.

Nevertheless, it is possible that one or several schools and programs will receive excess applicants and we propose that program expansion to accommodate these applicants be required. This device will eliminate the necessity for lottery selection at the program level, for each student will be assured placement in the program of his choice.

The requirement that each school offer at least two programs will make this possible; similar programs conducted simultaneously at several different sites will permit a greater degree of variable capacity because the program limit will not be the physical capacity of a single building. Thus, a program with students in two or more buildings can expand or contract more easily than one which is confined to one site.

Because the number of participating students is fixed, and the prospective enrollment in any given program is variable, it is physically possible to guarantee each student his first program choice. Any program with excess applicants can expand by using another site. Thus, although a given student cannot be guaranteed assignment to a given program in a given building, he can be assured of his ability to pursue the program of his choice at one of several locations.

III.5.4 Program Assignment

Guaranteeing program assignment will not compromise a student's right to remain in his current school building. Thus, families which attach primary importance to continuous attendance at the original school of enrollment will be satisfied. Exercising this right, however, will limit the student's choice to the programs offered in that building. This device will hopefully decrease the significance of attending a given school building and increase family awareness of program options by encouraging consideration of educational trade-offs. Is the convenience of attending the school of original enrollment of greater value to a family than transferring to a building which provides the educational program the family prefers?

The mechanism to implement placement of students must be direct and easily understood, and the program organization discussed above lends itself to a straightforward placement system.

III.5.5 Placement Procedure

Students currently enrolled in a given building who wish to stay there will exercise their option to do so. Incoming siblings who wish to follow older siblings in the same building will exercise their option. In addition, these students will be placed in the program offered in "their" building which they wish to attend.

All parents not exercising "squatters" rights, including incoming kindergarten students, new students from outside the demonstration area, and transfer students within the demonstration area will be required to identify both program and building choices. Because of the program expansion requirement discussed earlier, all of these students will be assured of placement in their first choice program. They may, however, face some uncertainty about building assignment depending upon the demand for a given building.

Each incoming parent will be asked to make a maximum of three program/building choices. In the unlikely event that none of these combinations can be satisfied, the program choice expressed in the first combination will be guaranteed. An outline of our proposed selection and placement procedures follows:

1. Central administration will provide all voucher families with application forms.
2. Families will complete these forms and return them.

3. All children who were previously enrolled may exercise their right to remain in the same building, but their program choice will then be limited to the alternatives being offered in that school. Within this constraint, these children (and any of their younger siblings who so desire) will be placed in their first-choice program.
4. The remaining students will indicate three preferred building/program choices. If no school building receives more applications than its expanded capacity can accommodate, each child will be assigned to his first-choice building and then the capacity of each program within that building will be adjusted so that each child can attend his first-choice program as well.
5. If some buildings are over-applied beyond their capacity to expand, first choice building/program combinations will be satisfied for as many children as possible by some impartial selection procedure such as a drawing.
6. For children who do not receive their first choice building/program preference, the same procedure will be followed with their second and third choices. In the event that a child cannot be accommodated in any of his first three building/program preferences, he will be guaranteed his first choice program, although this placement may not be in one of his preferred buildings.
7. All participating program administrators will be required to guarantee the enrollment of children who list their program as their first choice. Excess demand will be met in the following way:
 - a) If the program is only being offered in one building the program administrator will attempt to secure sufficient additional space in that building.
 - b) If no additional space exists in that building, the administrator will attempt to secure portables, if the Governing Board deems it financially feasible.
 - c) If (b) is not feasible, staggered scheduling will be instituted with the concurrence of the program's Governing Board.
 - d) If such scheduling is considered unacceptable, the program administrator will secure additional space either in other pilot school buildings or in other buildings in the school district.

- e) If any parent is dissatisfied with the placement of his child and in concert with the administrator of the desired program can arrange to place his child in a more preferable situation, the parent may do so within ten days after the results of the admissions procedure are announced.

For families with strong program interests, and only moderate interest in a given building, there will be no problem. We recognize, however, that some new families will attach great significance to attending a given school building. There is no way at present to project the extent of such demand, and our comments must, of necessity, be regarded as speculative. However, we are confident that the rate of placement in a preferred building will be high. Because programs will be distributed among several buildings, there will be no compelling educational reason for one building to enjoy excessive "popularity." Furthermore, if most parents prefer their neighborhood school, the probability of having over-applied buildings will be reduced even more. Thus, building preferences are more likely to be distributed, leading to a high incidence of families securing placement in the building of first choice. The extent to which families do not secure their first place building choice--even though they secure first choice of program--will have to be carefully monitored.

III.5.6 Random Selection

In the unlikely event of heavy over-application among new students and transfer students to certain buildings, we will undertake random selection procedures to guarantee fairness. A drawing for new students would institutionalize an impartial selection procedure, and eliminate the arbitrary exclusion of any student. One "spin-off" of an impartial drawing is to put "unchosen" schools on record that they must change their program offerings if they wish to attract students.

To recapitulate, throughout this discussion we have assumed that each school has at least two program offerings, as we described earlier. It is possible that some schools will have three or more, and that several schools will have similar offerings. Thus the range of choice to a given family will be quite large and the prospect of family satisfaction quite high.

III.5.7 Transfers

The potential problem in transferring students is a difficult one to assess at this point in time because there is no reasonable way to anticipate the volume of transfers. However, the policies and procedures governing the allocation of a transferring child's voucher funds will in themselves shape transfer practice and incidence. Straightforward and routine pro rating of the voucher over the ten months of the school year would be likely to encourage transfers; a prohibition against pro rating would discourage transfers. A middle course which we propose calls for a sliding "front-loaded" scale which favors the child's original school. The intent of this mechanism is to permit reasonable budget planning within programs in order to reduce the possibly disruptive financial effects of transfers during the year. The chart below describes how a transferring child's voucher money will be divided between his two schools:

(Cumulative Total)

Quarter of Attendance		Percentage of Voucher Remaining with First School	Percentage of Voucher Which Follows Transferee
1st	September	40	60
	October		
	November		
2nd	December	50	50
	January		
3rd	February	70	30
	March		
4th	April	100	0
	May		
	June		

The rationale behind this pro rata schedule is to provide compensation for the loss of a budgeted student, but at the same time to make it financially possible for receiving schools to accept transfers even though the amount may not, theoretically, offset the additional cost associated with the transfer student's attendance. The receiving school will have the additional incentive of getting the transferred child's entire voucher allotment during the subsequent year. Furthermore, a program's reputation will be enhanced if it keeps attracting new students.

A new student coming into the demonstration site will be eligible to apply for any vacancies at any of the schools. If he is eligible for a compensatory voucher, and if monies remain in the compensatory voucher fund, the receiving school will be credited with the compensatory voucher pro-rated on a quarterly basis. Students leaving the demonstration leave their compensatory funds behind; the loss of ADA revenues for these students will be handled by the District in accordance with its present procedures.

III.6 Administration

III.6.1 General Considerations

We perceive the voucher system of allocating resources to schools as the ultimate form of decentralization. The object of decentralization is to make the educational decision-making units more accountable to the parents and communities which they serve. While we recognize that creating smaller, local boards is an important step in this direction, we believe that replacing one large bureaucracy by a few smaller ones avoids coming to grips with the fundamental problem--that many parents are reluctant to "tangle" with any bureaucracy, even a locally controlled neighborhood council. We believe that true accountability and community control may be achieved by placing the power of the purse--the control of the flow of dollars--in the hands of the individual parents of school children. This mechanism obviates the necessity for a dissatisfied parent to approach the school bureaucracy as a supplicant. He has the right to determine what group of educators will be entrusted with his child's educational dollar, and if they are unable or unwilling to be responsive to his needs, the parent, without requiring the approval of any bureaucracy, can decide to reallocate his child's educational funds to another program. For this procedure to be functional, most of the educational decision-making power must reside in the individual schools and programs which are competing for the child's support. If a program is losing support, it must have the flexibility to change without requiring multiple approvals from "above".

Because of these considerations, great care must be taken in establishing a voucher system "administration" to protect against the possibility of creating another bureaucracy which will undermine the basic objectives of the program. Certain functions clearly must be centralized, such as operating the admissions process, collecting and disseminating

information on the system and its component programs, processing the vouchers and allocating the corresponding funds to programs, pupil accounting and financial accounting, and, in the case of this demonstration, overall evaluation of the implementation of the internal voucher system. It is equally important to specify, however, the functions which are not the province of the central administration but which must remain with the individual programs; some of these areas are educational philosophy, curriculum, staffing, texts and materials, program governance, and budgeting, with the clear understanding that this discretionary power must be exercised within the limits imposed by the California State Education Code.

III.6.2 Proposed Administrative Structure

For the purposes of this demonstration project we foresee the need to provide the following administrative functions:

- a) information collection and dissemination,
- b) counselling - to assist parents in understanding the program and familiarize them with the options available,
- c) accounting; fiscal and pupil - matching pupils to the program of their choice and keeping track of their location and records,
- d) evaluation - conducting an in-house evaluation of the implementation of the project and also providing an interface between the District and the contractor performing the national evaluation for OEO,
- e) hearing procedures - establishing fair, impartial hearing procedures for transfers, dismissals, suspensions and expulsions,
- f) coordination - a project director will be required to coordinate these functions.

The following preliminary organization chart indicates how this administrative unit would be structured:

ORGANIZATION CHART

Further details regarding the cost and staffing of this administrative structure will be presented in Section III.12, Budget and Finance.

III.6.3 Local Board

The legal responsibility for the schools participating in this experiment remains with the locally elected School Board and Superintendent. The responsibility of the Board to establish District policy cannot be delegated. The Board and Superintendent can, however, provide for the principal or program manager to assume much greater responsibility in the development and operation of the educational program.

The Board can authorize the use of vouchers by students as the delivery mechanism for school funds rather than transferring lump sums to the school. Concurrently, the Board can require the development and presentation of budgets by program, with the corollary requirement that program expenditure be tied to program review. The Board can also authorize the admission procedures described above.

III.6.4 Education Voucher Advisory Committee

There are a variety of new issues associated with the voucher demonstration, and because of the heavy work load of the existing Board, we recommend that an advisory group be created to deal with these questions. This advisory group, the Education Voucher Advisory Committee (EVAC), would have no legal status or responsibility but should act as a sounding board and community resource while the program is being developed and implemented. Its function will be to make policy recommendations to the School Board regarding the demonstration, and to work closely with the project director and his staff in making decisions about the implementation of the program. EVAC will also review and comment upon the design and performance of the voucher administrative unit. In the transition model EVAC will consist of twelve members representing the parents and staff of each school. The method of selection at each school will be determined at the school level. The new administrative unit will be responsible for providing staff support to the EVAC.

III.6.5 Jurisdictional Limits

EVAC and the administrative unit working with it would be explicitly prohibited from making curricular and fiscal decisions that are properly the role of the individual principals or program managers.

III.6.6 Central Services

In all public school systems there is a central administration which provides services in such areas as counselling, curriculum, payroll, personnel, purchasing, etc. Usually, the motivation for providing these services centrally is the considerable economies of scale which ensue. However, considerable frustrations often emerge at the building level because of the lack of flexibility imposed by the centralization of services. We would argue that the same accountability principle inherent in the voucher concept--that parents should have the option to choose the school which they feel is providing the best service for their child--should also be applicable in the relationships between the individual school programs and the provision of services to them by the central administration. Ideally, each program manager should have discretionary authority over the expenditure of all administrative costs for the children in his program. Each program manager then would determine which services are needed and whether or not they should be purchased from the central administration or some outside supplier. In turn, each service of the central administration would have to demonstrate that the services which it offered were valuable enough to a child's education that a school program would be willing to purchase their services for some of the child's voucher money.

However, to protect the District during the demonstration, certain central services such as accounting, payroll and fringe benefits must be assessed against each pupil's basic voucher value, but we have identified three central functions, psychological services, curriculum coordination and audio-visual materials, which can and should be purchased at the discretion of the individual schools and programs. In the event that the central office personnel associated with providing these services are not utilized adequately by the schools, the District may lose the funds to pay their salaries (since this money will be distributed in the vouchers and some of it may be spent elsewhere). Since we are obligated to protect our personnel during the demonstration, we can "voucherize" these central services only if OEO guarantees to reimburse the District for any losses which are incurred from this aspect of the program. The liability of OEO in this area will in no case exceed 25% of the total budget of the Alum Rock School District for the personnel providing these services (based on the projected figures for 1972-73, this maximum figure will be approximately \$70,000).

III.7 Development of Alternatives within Existing Schools

Initially, the development of alternatives is likely to be expensive and time consuming. Traditional school district practice, state mandated curriculum, and state adopted textbooks lead inevitably to the substantial uniformity among the schools of a district. The success of the voucher model we propose depends on the development of alternatives. Given a long history of homogeneous schools within a given system, it would be unrealistic to expect viable alternatives to spring to life full blown. In addition, our short lead time makes it unlikely that many new schools will be created during the first year to stimulate competition. We believe it would be a serious, even fatal error to leave the development of alternatives to chance.

At the same time, it would seriously weaken the experiment if it became necessary to channel operating revenues into large scale planning and development. Although the use of current operating revenues can be made in terms of long term development, such a course is costly in a short term demonstration. This presents special problems in light of the short lead time that is available. Thus, we are committed to the notion that adequate funding for in-service training is essential for the development of real alternatives in the six pilot schools during the first year.

Funding for alternatives should be provided as a separate category of expense, and should not be commingled with voucher revenues. We propose that OEO provide funds to support an in-service program to develop alternatives. In the initial years these funds will be divided equitably among the six participating schools. The processes of choosing which alternatives will be offered and planning for their implementation will be carried out with the maximum feasible participation of the parents in the community.

The EVAC staff should function as a clearing house and liaison to prevent costly and unnecessary overlap, but the program development role and in-service planning should be the primary responsibility of the individual school. Clerical and support staff may be purchased centrally, and the individual school should have the authority to employ consultants, conduct workshops and seminars, and undertake in-service training as needed.

III.8 Certified and Classified Employees

Full protection as provided by the California State Education Code and Alum Rock School Board Policy will continue

to be extended to all participating certified and classified employees in the demonstration project. If any legislation is passed to permit changes regarding certified employees rights these shall be negotiated through the Certified Employees Council.

III.8.1 Tenure and Seniority

Certified employees who participate in the demonstration shall retain all tenure and seniority rights, and shall continue to accrue these rights during their participation in the demonstration.

III.8.2 Transfers

Any certified employee in a participating school who does not wish to participate in the program may transfer to a non-participating school, provided that such vacancies exist. Furthermore, teachers in non-participating schools who wish to participate may apply for any vacancies in the participating schools. Participating certified employees should have maximum freedom possible to choose to teach in a program that is compatible with their own educational philosophy.

III.8.3 Displaced Certified Employees

In the event that shifting enrollment patterns decrease a program's budget to the point where the salary of one or more staff members cannot be covered, surplus certified employees will be removed from that program. If a certified employee is displaced from the program, the following procedure will be followed:

- a) The administrator of the demonstration will assist the certified employee to find another program within the demonstration which has additional staff needs and which is mutually acceptable to the certified employee and the program.
- b) If no such position is available, the Alum Rock School District will undertake to find a suitable position in the remainder of the District.
- c) Prior to a commitment to move to step (d) (teacher contract buy-up) written documentation shall be provided to OEO as assurance that steps (a) and (b) have been pursued in good faith.
- d) In the extreme case that there is no position available

in the entire school district, funds will be provided to support that certified employee at his present salary level until another position can be found. In no case will this support be extended for more than the remainder of the school year plus one full academic year. A maximum dollar value for these contract buy-ups appears in the budget. During the period when a certified employee is being paid without working, he will be required to negotiate with the demonstration board a plan for the constructive use of his time in a way which will improve his ability to provide services needed by the District.

III.8.4 New Teacher Role

In the event that the staff of a program determines the need for additional management, they may select a member of their program to provide such services. This position would entail additional responsibilities and, consequently, additional remuneration to be determined by the planners of the program in conjunction with the staff member selected, within the constraints of the program's budget.

III.8.5 Counselling and Evaluation of Teachers

- (a) A counselling service shall be established to assist certified employees on any aspect of the demonstration. All certified employees who wish shall be interviewed by an impartial party selected by the local teachers' organization and approved by the Superintendent to establish their position on remaining in the demonstration or transferring.
- (b) Since free and open experimentation has been encouraged by the demonstration plan, any failure in a program will not be held against a certified employee for dismissal purposes except for any of the 14 reasons of cause outlined in the State Education Code and Stull Bill.
- (c) Any procedures for evaluating public school teachers must also be applied to the certified employees in any non-public schools participating in the project.
- (d) Certified employees evaluation shall take into consideration the involvement in an experimental program. The evaluation procedure shall be mutually accepted by the evaluator and the teacher.

- (e) Private organizations or individuals sponsoring or establishing schools shall provide opportunity for qualified Alum Rock certified employees to fill positions before hiring others.
- (f) Funds will be made available to compensate participating personnel for the additional time which they spend in planning for the demonstration.
- (g) Any grievances over teacher rights, working conditions, evaluation or dismissal shall be conducted through regular District and teacher organization channels. All certified staff in the six experimental schools shall have all rights of grievance procedure guaranteed under the Winton Act.
- (h) Any changes in the opening and closing dates of schools will be uniform and determined with community involvement. In-service days will be taken at the discretion of each school.

III.8.6 Classified Employees

Classified employees who participate in the demonstration shall be governed by the existing District policy for classified employees. All new positions created by the project will be classified according to the existing pay scale.

III.8.7 Planning

Classified employees will be paid at their regular rate for any additional time which they work because of planning and development of the program.

Parents participating in planning activities will be paid at the beginning classified rate, subject to prior agreement of the principal and the constraints of the in-service funds available.

III.9 New Schools

We explicitly agree to cooperate with groups trying to establish new schools. In the absence of legislation, however, these schools can participate only if the School Board contracts with them to provide services.

III.9.1 Rules Governing New Schools

New schools must be willing to abide by the rules governing all voucher schools. They must:

- (a) be open equally to all participating students,
- (b) make no charges to students beyond the voucher funds,
- (c) supply the same financial and program information as other voucher schools,
- (d) submit to the same evaluation procedures as other voucher schools,
- (e) participate in the same admissions and counselling procedures as other voucher schools.
- (f) abide by all state laws now governing the public school system.

III.9.2 Procedures for Starting New Schools

The establishment of new schools will require at least the following:

- (a) Demonstration of parental support - An interested group of educators will be required to demonstrate that the level of parental interest and commitment is sufficiently high to guarantee that enough voucher revenue will be generated through enrollment to support the program.
- (b) Burden of proof - If a new school can demonstrate sufficient parental commitment, upon recommendation of the EVAC the School Board will enter into a contract with the new group to permit its participation in the demonstration. If the School Board refuses to allow a new school to participate in spite of a demonstrable level of parental commitment, the burden of proof for justifying this decision will rest with the School Board. Unless there are substantial reasons to the contrary, a sufficient level of parental support will imply approval of the program by the School Board.
- (c) Staffing - In hiring staff, new schools will give priority to employees of the Alum Rock School System, if there are such employees who are qualified to teach in the new program. The affirmative action program of the District will be followed in hiring new staff.

III.9.3 Space

New schools may be housed in the following facilities:

- (a) Available space in the Alum Rock Public Schools (including non-participating schools),
- (b) portable classrooms set up for the purpose,
- (c) any other physical facility in close proximity to the demonstration area which complies with Field Act standards.

III.9.4 Start-up Funds

If community groups are interested in starting new schools, start-up grants will be available for planning, organizing, equipping, and, if necessary, leasing the school site. This start-up money will be provided as part of the OEO grant, and will be "voucherized," as explained in Section III.2 of this proposal. In the event that profit-making schools should participate, they will not be eligible for start-up grants.

III.10 Transportation

We have previously indicated that in order to guarantee all eligible children participating in the demonstration access to the school of their choice, additional bussing will be required. In addition, however, we believe that some additional transportation must be provided to parents to assure them of the means to attend meetings or conferences at schools which are more than one mile from their homes.

The incremental transportation costs will be paid for by OEO. Incremental transportation costs will occur if there is an increased number of children being bussed.

Extra busses to provide additional transportation services may create additional unscheduled bus availability during the day; participating schools may utilize this excess capacity, at their own cost, for field trips or other educational purposes.

III.11 Evaluation

III.11.1 National

We understand that OEO will engage an outside contractor to conduct an evaluation of the demonstration. OEO and its analysis and survey contractor will coordinate its efforts with the Alum Rock School District administration, and with

individual principals taking part in the demonstration. The School District and individual schools will provide access to personnel and records to supply basic program data. OEO will make the analyses of these data available to the school system with the proper safeguards to assure confidentiality to all participants. Some data gathering activities such as classroom observation and achievement testing are necessary to the full evaluation of this demonstration. OEO will coordinate these activities with the school district to assure minimal obtrusiveness consistent with the chain of useful information.

III.11.2 Local Evaluation

In addition to the OEO evaluation, however, we have a number of questions which we as a District want to be answered during the demonstration for the purposes of our own assessment of the project. The questions to be answered are:

- (a) To what extent will parents exercise choice if it is available to them?
- (b) What effects, if any, will the availability of choice have on the attitudes and achievement of children?
- (c) Will new programs emerge which are more effective than the present ones for some children?
- (d) Will parent involvement and contact with the schools increase as a consequence of the increased financial power that parents will have towards their children's schools?

III.11.3 Evaluation of Implementation of the Demonstration Project

Because the voucher concept is untried, and setting up a demonstration is complex, we believe that an evaluation of our implementation procedures would provide valuable information to other school systems which might be considering voucher mechanisms. In particular, we believe that the following aspects of the program would be worth evaluating:

- (a) in-service and planning
- (b) counselling
- (c) management
- (d) admissions procedures

- (e) material utilization
- (f) personnel
- (g) transportation
- (h) finance

III.11.4 Cost Evaluation

How will the costs of operating the voucher system (exclusive of special costs related to the experimental nature of the program) compare with the costs of operating the present system? The following variables should be included:

- (a) pupil achievement
- (b) pupil attitude
- (c) parent involvement
- (d) teacher satisfaction
- (e) parent satisfaction
- (f) attendance (pupil and staff)
- (g) vandalism
- (h) transfers - both incidence and reasons
- (i) effect on parent and pupil satisfaction of transfers
- (j) costs of programs and their effectiveness.

III.11.5 Selection of Local Evaluation and Methodology

The Superintendent in conjunction with the project manager must select the evaluation coordinator and plan the evaluation at an early date to provide adequate evaluation.

III.11.6 Final Evaluation

Finally, we must ask whether or not the voucher concept was a good idea. In particular, we must decide whether we want to continue with a voucher approach after the demonstration, and, if so, can we afford to do so? Clearly the evaluation information must permit us to make this crucial decision during the final year of the demonstration.

III.12 Accounting

To insure the success of the proposed transitional voucher model, two basic needs must be met: financial accounting and pupil accounting. The voucher concept permits movement of the students among the six schools, or within a school itself. Our present manpower cannot meet the complex

problems that will arise from the proposed program. Therefore, we recommend an amount of \$69,931 to meet anticipated costs of the project.

III.12.1 Financial

We will assume an obligation for reporting financial transactions among the six schools. This will require an expanded accounting system. The number of transactions and the need to report to the community, Board, staff and OEO will be an important part of the program. To accomplish this we will need additional manpower, equipment, supplies, and the use of additional computer time.

The full time accountant and secretary, furniture and equipment are required to achieve the goals mentioned. The equipment lease for bookkeeping purposes and additional computer time are preliminary estimates at this time.

The amounts displayed are based on a preliminary investigation made by District staff office with limited available information. It is suggested that we be allowed flexibility to amend these requests as additional needs arise.

III.12.2 Pupil

The District is currently using a hand accounting system for students. We are barely able to meet our present needs with this outdated system.

Appendix B
WHAT IS A VOUCHER?

What is a Voucher?

¿Qué es un Certificado?
(*certificado de fondos
para educar niños*)

Your child will be in the Education Voucher Program next year.

Su niño estará en el programa "certificado" de fondos para educar niños el próximo año escolar.

- SPELLING -
CALIFORNIA
Indian
Mexico
Bear

This means that you will have the right to choose what kind of education he will receive.

Esto quiere decir que usted tendrá el derecho de escoger el tipo de educación que él va a recibir.

Six schools will participate: Cassell, Goss, McCollam, Meyer, Miller and Pala. Each school will offer two or more different kinds of educational programs for you to choose from. You may choose any program in any of the six schools for your child.

Seis escuelas van a participar: Cassell, Goss, McCollam, Meyer, Miller y Pala. Se ofrecerán dos o mas diferentes programas en cada escuela. Usted puede escoger cualquier programa en cualquiera de las seis escuelas para su niño.

Some of these programs will be traditional; some of them will be new and different. All of them will be trying to help your child to learn the basic skills that he will need in his life. They will be different from each other in the methods which they use to reach this goal.

Algunos de estos programas serán tradicionales; otros serán nuevos y diferentes. Todos tratarán de ayudarle a su niño a aprender los fundamentos que necesitará en su vida. Se diferencian en los métodos que se usan para lograr este fin.

How will you know which program to choose for your child?

¿Cómo va a escoger el programa para su niño?

We will have meetings at each school to explain what is offered in all the schools.

Vamos a juntarnos en cada escuela para explicarle los programas que se ofrecerán en todas las escuelas.

We will have counsellors who will meet with you either in your home or at their office, or by phone, whichever you prefer.

Habrán consejeros que estarán para servirle en su casa, en su oficina, o por teléfono.

If you want the advice of professional educators who know your child, teachers, principals, and school counsellors will be available for conferences at school to help you to decide what is best for your child.

Si usted quiere consejo de un educador profesional que conoce a su niño, los profesores, los directores, y los consejeros de la escuela estarán a sus ordenes en la escuela para ayudarle decidir lo mejor para su niño.

You will receive an information booklet which describes in some detail each of the programs in each of the schools.

Usted va a recibir un folleto que describe cada parte que compone los programas en todas las escuelas.

We will try to have the T.V., radio, and newspapers cooperate in presenting this information to you.

Trataremos de tener la cooperación de la televisión, el radio, y los periódicos para publicar esta información.

When you have decided what programs are best for your child and what buildings they are offered in, you are ready to fill in your application form.

Después de decidir el mejor programa para su niño y las escuelas en que se ofrece, estará usted listo para llenar la aplicación.

The application form has room for three choices. Each choice must include two items:

- a) the name of the program and,
- b) the name of the school.

Hay tres secciones en la aplicación. Cada sección incluye dos partes:

- a) el nombre del programa y,
- b) el nombre de la escuela.

Place your choices in the attached envelope and mail it
before June 8th!!!

Por favor, envíe la aplicación en el sobre antes del
8 de junio.

We will try to place every child
 in his first choice school and
 program.

Nos esforzaremos en colocar cada
 niño en el programa y la escuela
 de su primera preferencia.

But what will happen if everyone wants to go to the same school and program? Then we couldn't give everyone their first choice.

¿Qué va a pasar si todo el mundo quiere ir a la misma escuela? No pudieramos dar a todo el mundo su primera preferencia.

Some parents who like their present school are afraid that their child might be forced to transfer if too many new children apply to their school. THIS CANNOT HAPPEN!!!

Algunos padres que están satisfechos con la escuela tienen miedo de que sus niños tengan que cambiar de escuela si demasiados niños aplican a la misma escuela. ¡ESTO NO PUEDE PASAR!

Any child who is presently enrolled in one of the voucher schools will be GUARANTEED the right to stay in his present school IF HE OR SHE WANTS TO STAY THERE.

Cada niño que está matriculado en una de las escuelas de "certificado" tendrá garantizado el derecho de quedarse en su escuela si lo prefiere así.

Younger brothers and sisters who are coming to school for the first time will also be guaranteed a place in the same school if they want it. These children will then be guaranteed a place in the program of their choice, as long as that program is offered in their building.

Los hermanos menores que vienen a la escuela por la primera vez también tendrán el derecho garantizado de ir a la misma escuela. Estos niños tendrán garantizado un lugar en el programa de su preferencia, mientras que esté ofrecido en su escuela.

After these children have been placed, we will try to give the remaining children their first choice of building and program.

Después de colocar a estos niños, trataremos de darles a los demás niños su primera preferencia de escuela y programa.

If that is not possible, we will try to give you your second choice.

Si esto no es posible, trataremos de darle su segunda preferencia.

And if that, too, is already filled, we will try for your third choice.

Si ésta también está ocupada, trataremos de darle su tercera preferencia.

These selections will be made by a fair "drawing" so that no one will be able to use any influence to get his child into a school more easily than anyone else.

Las selecciones se harán de un modo de que ninguno de los padres pueda usar la influencia para que su hijo entre fácilmente en una escuela.

If one building becomes very popular, we will not be able to please everyone who wants to go there. WE CANNOT PROMISE EVERYONE A GUARANTEED PLACE IN THE BUILDING HE WANTS TO ATTEND.

Si una escuela es muy popular, no podremos satisfacer a todos que quieren ir. NO PODEMOS PROMETER A TODOS UN LUGAR GARANTIZADO EN LA ESCUELA DE SU PREFERENCIA.

On the other hand, WE GUARANTEE TO EVERY CHILD A PLACE IN HIS FIRST CHOICE PROGRAM. If there is no more room in the program you want, we will expand it until everyone who wants to attend can be included. If necessary, we will expand a popular program into other buildings so that everyone can have his first choice.

GARANTIZAMOS A CADA NIÑO UN LUGAR EN EL PROGRAMA DE SU PRIMERA PREFERENCIA. Si está ocupado el programa que prefiere, lo extenderemos hasta que todos puedan estar incluidos. Si es necesario, extenderemos un programa popular en otras escuelas para que todos tengan su primera preferencia.

After we receive your selections on June 9th, we will match your choices to the available spaces. Before June 20th you will receive a letter telling you the building and program which your child will attend starting in September, 1972.

Después de recibir sus selecciones el 9 de junio, decidiremos dónde será colocado su niño. Usted recibirá una carta indicándole la escuela y el programa de su niño para el año escolar de 1972.

If your child's school is too far to reach by walking, we will provide free transportation.

Si la escuela de su niño queda demasiado lejos para ir caminando, le ofreceremos la transportación gratis.

Each school will have some form of parent Advisory Board. This Board will help the principal and his staff to keep in touch with your feelings about your child's program. If you have a problem about school, you can approach your Parent Advisory Board; they will help you to bring it to the attention of the principal and his staff.

Cada escuela va a tener un Comité Consejero de padres. Este Comité le ayudaran al director y a su personal a conocer los sentimientos acerca del programa de su niño. Si usted tiene algún problema sobre la escuela, puede hablar con el Comité Consejero de Padres; le ayudaran a notificar al director y al personal.

Furthermore, each school will select two representatives (either two parents or a parent and a staff member) to the Education Voucher Advisory Council (EVAC). EVAC will consider all issues relating to the voucher project and make policy recommendations to the School Board. EVAC will also:

- 1) check to make sure that the information you receive about each program is accurate,
- 2) supervise the school and program assignment procedure to make sure that it is fair,
- 3) supervise the operation of the voucher administration,
- 4) establish student transfer and complaint procedures,
- 5) provide a special communications link between the parents and schools in the voucher project and the School Board.

De cada escuela se van a escoger dos representantes (sea dos padres o un padre y un profesor) para servir en el Concilio Consejero y Comprobante (EVAC - Education Voucher Advisory Council). Este Concilio, EVAC, va a considerar todas las sugerencias que tienen que ver con el proyecto de "certificado" y va a hacer recomendaciones a la Mesa Directiva. Los propósitos de EVAC son:

- 1) Asegurar que la información que usted recibirá de cada programa es correcta.
- 2) Dirigir la designación de sus niños a la escuela y al programa para estar seguro de que sea justo.
- 3) Dirigir la administración del proyecto de "certificado."
- 4) Establecer transferencias y los procedimientos de quejas.
- 5) Proveer una comunicación especial entre los padres y las escuelas en el proyecto de "certificado" y la Mesa Directiva.

If you have any further questions about the voucher project or the programs offered by the schools, call the Alum Rock School District, 258-4923, and ask the operator for "Voucher Information." We will have bilingual counsellors available during the day to answer your questions.

Si usted tiene preguntas del proyecto de "certificado" o los programas que se ofrecerán en las escuelas, por favor, llame Alum Rock Distrito Escolar, 258-4923, y preguntale a la operadora por la información de "certificado." Vamos a tener consejeros bilingües durante el día que estarán para servirle.

Appendix C

EDUCATIONAL CHOICES FOR YOUR CHILD

PROGRAM ALTERNATIVES
ALUM ROCK VOUCHER SCHOOLS
1972

Dear Parent:

We hope that this booklet will help you to decide what kind of program to choose for your child. Unfortunately, we had to collect this information very quickly in order to get it into your hands by May 20th. This meant that we had to guess about schools and programs. We want to do a better job next year, so please tell us what information you would like us to provide. What do you really want to know about the program you choose for your child? Please write your comments on this page and return it to school with your child. For more information, call 258-4923.

Thank you for your help,

Joel M. Levin
Voucher Project Director

Are you satisfied with this information?

Yes _____ No _____

What additional information do you want?

Comments:

(Use the back side for additional written comments.)

PROGRAM OFFERINGS BY TYPETRADITIONAL/ACADEMIC (7)

Cassell (Traditional)
 Goss (Developmental Reading)
 McCollam (Traditional)
 Meyer (Basic Skills)
 Miller (Academic Skill Development)
 Pala (Three "R"'s Plus)
 Pala (Math - Science)

INNOVATIVE/OPEN CLASSROOM (3)

Meyer (School 2000)
 McCollam (Continuous Progress - Non-graded)
 Pala (Gives Physical Education Emphasis)

GIFTED (1)

McCollam (Enrichment)

FINE AND CREATIVE ARTS (3)

Meyer (Fine Arts and Creative Expression)
 Pala (Fine Arts)
 Pala (Creative Arts)

LEARNING BY DOING (3)

Cassell (Daily Living)
 Goss (Open Activity Centered)
 Goss (Seventh Grade)

INDIVIDUALIZED LEARNING (3)

McCollam (Individualized)
 Meyer (Sullivan - BRL)
 Miller (Individualized)

MULTI-CULTURAL (2)

Cassell (Cultural Arts)
 Miller (Multi-cultural)

<u>Name</u>	<u>Program Name</u>	<u>Description</u>
Sylvia Cassell El. 1300 Tallahassee K - 6	Traditional Daily Living Cultural Arts	Basic skills development, emphasizing reading, writing and arithmetic. Basic skills taught by doing. Emphasizes study of different cultures. (Overall Kindergarten - to place in other programs.)
Mildred Goss 2475 Van Winkle K - 7	Open Activity Centered Developmental Reading Seventh Grade	Basic skills taught by doing. Based on reading - all other subjects relate to reading. New 7th grade - based on community involvement.
McCollam 3311 Lucian K - 6	Traditional Individualized Learning Enrichment Continuous Progress Non-graded	Basic skills development, emphasisizing reading, writing, and arithmetic. Learning is tailored to each student. Maximum parent involvement. A program for gifted children, grouped by ability, not age. Open to children who are creative and curious. Emphasizes basic skills; students not grouped by grades; each learns at his own pace.
Meyer 1824 Daytona K - 6	Basic Skills Sullivan Individu- alized Lang. Arts Fine Arts - Crea- tive Expression School 2000	Basic skills development, emphasizing reading, writing, and arithmetic. Learning tailored to each student. BRL methods used. Concentrates on learning through the fine arts. Prepares students for the future.

<u>Name</u>	<u>Program Name</u>	<u>Description</u>
Miller	Multi-cultural	Emphasizes study of different cultures. Spanish offered.
1250 So. King	Academic Skill Development	Basic skills development, emphasizing reading, writing and arithmetic.
K - 6	Individualized Learning	Learning tailored to each student.
<hr/>		
Pala	Three "R"s Plus	Basic skills development, emphasizing reading, writing and arithmetic.
149 North White	Creative Arts	Concentrates on learning through the creative arts.
6 - 8	Fine Arts	Concentrates on learning through the fine arts.
	Math - Science	Concentrates on learning based on a mathematics-science core.
	Girls' Physical Education	Two periods a day of Physical Education for girls who want special sports emphasis.

Sylvia Cassell Elementary School (K-6)
1300 Tallahassee Drive
San Jose, California

Jerry Witt, Principal

The Cassell Elementary School will offer three different education programs for 1st through 6th grade this fall as a part of our participation in the internal voucher project. They are (1) Traditional School - Enriched Approaches to Basic Education, (2) The Daily Living School, and (3) The Cultural Arts School. An over-all kindergarten, encompassing the three programs, is offered to expose the children to as many different experiences as possible, and to guide them in the choice of the program that suits them best. In-coming kindergarten students are tested to help in class placement. Students, with their families, choose the program in which they want to enroll.

This report gives you a brief description of the programs. We will hold public meetings in the future to provide you with more information and answer questions. In addition, more detailed information on each program is being prepared, and trained counselors and community workers will be available to talk to you. For more information, call 258-4923.

CULTURAL ARTS PROGRAM (Cassell)

Description - This program is based on the belief that education's most important job is to help each child develop the skills, knowledge and confidence to become a self-reliant person. Through the study of cultures we hope to show the children that all people contribute something of value. America is the melting pot of different cultures and we would like the children to understand how different cultures contribute to the American way of life. The program emphasizes that each child needs to:

- °Learn reading, mathematics and language skills to communicate with others.
- °Know himself
- °Feel successful
- °Be able to get along with others
- °Understand that all cultures have something of value to offer and that we can be proud of our cultural heritage

A variety of teaching methods is offered:

- °"Words and Math in Color"
- °Total reading program
- °Team teaching
- °Learning centers
- °Individualized instruction
- °Contract teaching
- °Field trips

Various cultures are studied through arts and crafts, music, drama, puppetry, dance, cooking, assemblies, parents and resource people.

Governance - Policy decisions are made by the teachers with the advice of parents and student representatives.

Evaluation - The Fountain Valley Testing Program for reading is used. Parent conferences are also used. Children are evaluated on the basis of the improvement they make.

Communication with Parents - Written notices, phone calls, parent conferences, home visits, classroom visits. We appreciate as much parent support and participation as is possible.

Other Information - We hope that parents will help in the classroom as resource persons or aides, and will identify people in the community who are willing to help in the Cultural Arts Program.

THE DAILY LIVING SCHOOL (Cassell)

Description - This program's objective is to prepare children to live effectively in our society. The basic skills of reading, mathematics, writing, science, and social studies are taught with a daily living emphasis. Because we believe that children Learn By Doing, we build our learning situation on real life activities. Activities are designed to develop children's understanding of themselves, their family, and their environment. Full parent participation is encouraged.

Reading is stressed, with a total continuous program offered. Overlapping age groups (6 to 8, 8 to 10, and 10 to 12) are formed to group by ability. Individualized learning centers provide English as a second language and a Resource Daily Living Library includes cookbooks, instructional materials, and current popular magazines.

Mathematics is also stressed through a continuous program in the basic math skills. Mathematics enrichment is offered through practical application: cooking, sewing, wood carving, budgeting, school store and grocery shopping.

Social Science study is geared to the child's needs and what parents think is important.

Planned activities include field trips, natural science study, and cultural experiences such as dancing, music, art and plays.

Governance - Policy decisions will be made by all the staff of this school with input from the principal, outside resource people and parents. This will be done through group meetings.

Evaluation - The Fountain Valley Diagnostic Program is used to continually diagnose reading progress.

Communication with Parents - Parents are encouraged to participate in the program to the fullest extent possible.

Other Information -

THE TRADITIONAL SCHOOL - ENRICHED APPROACHES TO BASIC EDUCATION
(Cassell)

Description - This program's emphasis is on basic learning skills, reading, writing and arithmetic, enriched by a variety of learning techniques and other subjects. It is based on the belief that every child has the right to as much education as he can absorb with the professional guidance of experienced teachers.

Each child is taught at his own pace:

- The tools of learning
- Social development
- Self-discipline and self-respect
- The satisfaction of learning
- To take pride in progress and growth

Each child's best level is determined by testing in reading and mathematics. The "Total Reading Program" and state texts are used with the most advanced teaching methods. Field trips, extensive use of audio-visual materials, tutoring, supplementary learning centers and contract teaching are used for enrichment.

Governance - Our program plans to select a Parent Advisory Committee from interested parents. This will be set up by the teaching staff. The Parent Committee will offer its suggestions and ideas on policy matters and decisions affecting the operations of our program. The Parent Committee's opinions will be welcomed and considered by the teaching staff and school principal in making decisions for the program.

Evaluation - Each child is tested in reading and mathematics to determine his level of development. The Fountain Valley Diagnostic Testing Program is used to show each student's progress.

Communication with Parents - We work closely with parents during the year through a Parent Advisory Committee, parent conferences, social activities to bring school and home close together, and training sessions to help parents help their children.

Other Information - We plan to offer a strong enriched program for all children, and welcome parent cooperation and help.

Mildred Goss Elementary School
2475 Van Winkle Lane
San Jose, California

Jim O'Berg, Principal

The Goss Elementary School will offer three different education programs this fall as a part of our participation in the internal voucher project. They are (1) Open Activity Centered School (Learning by Doing), (2) Seventh Grade School, and (3) the Developmental Reading and Communication School. Students, with their families, choose the program in which they want to enroll.

This report gives you a brief description of the programs. We will hold public meetings in the future to provide you with more information and answer questions. In addition, more detailed information on each program is being prepared, and trained counselors and community workers will be available to talk to you. For more information, call 258-4923.

OPEN ACTIVITY CENTERED SCHOOL (Goss)

Description - This program is based on the belief that students learn best by doing. Our motto is: I hear and I forget;
I see and I remember;
I do and I understand.

Students develop competence in reading, writing, mathematics, science, athletics and the arts by activities. We offer learning centers, open classrooms, multi-age groupings and individually guided education. A team of two (2) teachers and one aide work with sixty students.

Governance - There is an advisory board of four parents, four teachers, and student representatives which considers any necessary changes. The board plans curriculum, finds resources for activities and organizes activities. Parents also participate in open meetings and parent-teacher-student conferences.

Parents participate in an advisory capacity, with final decisions made by the teachers and principal.

Evaluation - Initial objectives for students are based on skill profiles, tests, and other means. Progress is then measured by teacher prepared tests and/or standardized tests. Parents are informed about student progress in conferences, telephone conferences, and/or written evaluations as thought necessary by parents, students, and teachers.

Program evaluation is accomplished by student-parent communications, open meetings and the Advisory Board.

Continuous enrollment of students constitutes another form of evaluation.

Communication with Parents - All means are used, and telephone discussions are encouraged and used frequently. Supplemental conferences are held. Open meetings are also held.

Parents are expected to participate as much as their personal situation permits.

Other Information - Because of the emphasis on activities, members of the community are often involved in arranging or conducting activities. Parents are to arrange a contract with the program for experiences in which the family participates off campus. Parental permission for field trips is given on a total year basis.

SEVENTH GRADE SCHOOL (Goss)

Description - Goss has been a Kindergarten through sixth (6) grade school. This program expands Goss' offerings to include seventh grade. The main emphasis of the program is upon the total student, as a self-directed, functioning individual. The awareness of individual worth, pride, and respect are critical to this program. This is achieved by involving the community with the student, and the student with the community. Effective use of transportation facilitates this objective.

Outside resources are used, such as parents; aides; businesses; vocational plants; laboratories; recreational plants; communications' media; health centers; clinics; hospitals; law enforcement agencies; and local, state and federal agencies.

A partial list of program goals and objectives includes:

- Develop independent thinking and self-reliance
- Acquire an effective use of reading, writing, speaking and listening skills
- Produce respect for the natural environment and the cultural arts
- Create a sense of responsibility to society through democratic ideals
- Practice and understand ideas of health and safety

Students accept responsibility in a number of significant ways:

- The student must function on an individual, self-directed basis
- The student is accountable for his actions and must justify his self-directed decisions
- The student has direct involvement in curriculum planning
- The student helps establish individual and group performance objectives

The ratio of adults to students is approximately 1-18.

Governance - Policy decisions are made by teachers with the advice of students, parents, and aides. Open meetings, conferences, and individual contact are made to receive this advice.

Evaluation - Students, by testing, observation, interviewing. Both individual and group evaluation is conducted. Teachers, by self-evaluation, students, parents and administrators; the program, by pre and post testing of goals and objectives.

Parents are informed of student progress by conference and written evaluation.

Communication with Parents - Written notices, meetings, conference, home visits, telephone, and any other necessary means are used.

Other Information - The bounds of education should be unlimited and include the community as a laboratory for learning.

THE DEVELOPMENTAL READING AND COMMUNICATION SCHOOL
(Goss)

Description - This program emphasizes developmental reading and communication, which will be the focal point for all other subject areas. Provision will be made for bilingual, ESL*, multi-cultural and other educational components as needed. A step by step reading program used for the past 4 years at Goss, is used. Classes are non-graded in reading and mathematics. A variety of techniques are used, including basal readers, social reading materials, S.R.A**and speed reading. Teaching styles include contract teaching, one-to-one, team teaching, and staggered reading.

Governance - All operating policies will be decided by teachers and the building principal. A parent-teacher advisory board is composed of each classroom teacher and one parent for each class.

Evaluation - Students, by personal growth as measured by commercial and teacher-prepared tests; Teachers, by the building principal, in accordance with district policies; The program, by building principals and teachers in accordance with district policy.

Communication with Parents - Regular student progress reports are given parents, who are expected to acknowledge receipt. A minimum of two face to face conferences are held each year. Written notices, meetings, conferences, home visits, and telephone calls are used. Parents are also encouraged to visit the classroom at least twice a year.

Other Information - To make our program more meaningful and effective for parents, we will provide workshops in reading, math and other subjects to help you to help your children.

* English as a Second Language

**Science Research Associates reading kits

McCollam School
3311 Lucian Avenue
San Jose, California

Don Ayers, Principal

The McCollam Elementary School will offer four different education programs this fall as a part of our participation in the internal voucher project. They are (1) Traditional, (2) Individualized Learning, (3) Enrichment, and (4) Continuous Progress-Non-graded. Students, with their families, choose the program in which they want to enroll.

This report gives you a brief description of the programs. We will hold public meetings in the future to provide you with more information and answer questions. In addition, more detailed information on each program is being prepared, and trained counselors and community workers will be available to talk to you. For more information, call 258-4923.

TRADITIONAL (McCollam)

Description - Emphasizes basic subjects, following the recommended state curriculum: reading, arithmetic, English grammar, spelling, writing and social science. The program uses the Sullivan and Science Research Association (SRA) reading materials for each grade level as a supplement; learning center; contract teaching; team teaching; and S.E.E.D. (Discovery Math); Behavioral objectives will be developed after the beginning of school.

Governance - Policy decisions are made by professionals with the approval of the principal. Department heads serve on a rotating basis. There is close cooperation with other schools. Parents are involved in the selection of text books, extra-curricular activities and Friday afternoon interest centers.

Evaluation - Students by standardized tests, teacher prepared tests, subjective evaluation, observation and other professional techniques. Teachers by Stull Bill requirements, informally by parent conferences, students and other teachers.

Communication with Parents - Written notices, meetings, home visits, phone calls, folders and conferences. The program expects parents to encourage completion of homework assignments, cooperate in meeting goals and objectives, and have students at school on time.

Other Comments - The traditional program concentrates on academic subjects, through a structured program. Parents are encouraged to volunteer, and will be utilized.

ENRICHMENT PROGRAM
(McCollam)

Description - This program is for gifted students, who are grouped according to ability rather than age. Class sizes are small, and students are encouraged to choose their own areas of study.

The purpose of the program is to increase individual student creativity, and a blend of teaching styles will be used. The philosophy is to guide students to appreciate, understand and contribute their unique abilities.

The program goals are described to encourage students to:

- express intellectual curiosity, develop special talents of memory and creativity
- master the basic academic skills
- interact with each other, to acquire the ability to express and receive ideas
- express and create in cultural arts

The program objectives are to:

- excel in academic achievement, through perfecting the skills of reading, writing and the use of numbers, and to create original and worthwhile projects
- become adept at intellectual skills such as definition and analysis of problems, and developing alternative solutions.

Governance - Policy decisions are made by the teachers with the approval of the principal. Parents are invited to make suggestions through spoken and written comments to the school, or through the Parent Advisory Board.

Evaluation - Three forms of evaluation take place:

- students: by tests, teacher observation and parent-child reaction
- teachers: by procedures currently being developed by the Alum Rock School District, as required by the Stull Bill of 1971.
- the program: by child-parent reaction, the Parent Advisory Board and other outside evaluations.

Parents are informed about their child's progress by conferences and written reports. Students and parents participate in program evaluation only, and not the evaluation of teachers.

Communication with Parents - Parents are kept informed by written notices, meetings and conferences. Parents are expected to instill a positive attitude toward school, and support the goals and objectives of the Enrichment Program.

Other Information - To insure a child's success in the Enrichment Program, parents should be sure that their child has some of these characteristics:

- Learns easily and rapidly
- Long attention span; unusual power of concentration
- Advanced ability and interest in reading
- Large vocabulary; verbal proficiency
- Inquisitive mind; intellectual curiosity
- Unusually good memory
- Comprehension in abstract areas
- High energy, alertness, eagerness
- Creative and unusual ideas
- Outstanding talent in special areas

CONTINUOUS PROGRESS - NON-GRADED

(McCollam)

Description - The curriculum is designed around the basic skills a student should master between kindergarten and 5th grade, with the absence of grade levels and grades. A variety of techniques will be used, including team teaching, small groups, interest centers, departmentalization and field trips. Parent volunteers will be used.

Governance - Policy decisions are made by a governing board consisting of the professional staff and two parent representatives and the involvement of the principal at prescheduled meetings. Parents assist in the selection of supplemental materials, policy for child management, and curriculum materials.

Evaluation - Continuous evaluation is conducted, using culturally unbiased, standardized tests, teacher-made tests, teacher evaluation, and parent-teacher meetings. Teachers are evaluated in terms of Alum Rock guidelines for the Stull Bill.

Communication with Parents - There are periodic newsletters containing student, teacher and parent articles, public meetings, written notices sent home, conferences, home visits and telephone calls.

Other Information - The program incorporates multi-cultural experiences through social science, music, art, creative language, crafts and folk dancing.

INDIVIDUALIZED LEARNING PROGRAM (McCollam)

Description - This school encourages your child to progress independently, make meaningful decisions, and realize happiness through successful involvement in school. Emphasis is on the child's individual needs, interests, and choices. These ideas are reflected in the teaching techniques and styles of the staff. Our educational philosophy is tailored to the subject matter and interest areas of each child to assure success at his social and academic level. Learning objectives for the year will be developed individually for each child, and will be flexible throughout the year. There will be one teacher for every thirty students.

Governance - We encourage as much parent participation as possible. We feel the children will benefit from parent involvement, ideas, and talents. For our program to be successful, we need to know the parent's desires, needs, and feelings regarding their children. We will meet with all interested parents before school opens. We will provide inservice training to help parents feel comfortable with the staff and children. All policy decisions will be made by a majority of the faculty and principal.

Evaluation and Communication - We continually evaluate your child's growth and can tell you what progress he is making at any time. Each parent should evaluate his child's behavior to determine if he is happy, likes his teachers and school, and is learning. We are also concerned about parents' reactions to the program and will stress open communications at all times. Conferences are held whenever the staff or parent feels a need. Each child will evaluate himself with his teacher's help, and this evaluation will be sent home. Teachers are evaluated under the Stull Bill, and parent evaluation of all areas is welcome.

Donald J. Meyer Elementary School
1824 Daytona Drive
San Jose, California

Thomas J. Fay, Principal

The Meyer Elementary School will offer four different education programs this fall as a part of our participation in the internal voucher project. They are (1) Basic Skills Program, (2) Sullivan Individualized Language Arts Program, (3) Fine Arts and Creative Expression, and (4) School 2000. Students, with their families, choose the program in which they want to enroll.

This report gives you a brief description of the four programs. We will hold public meetings in the future to provide you with more information and answer questions. In addition, more detailed information on each program is being prepared, and trained counselors and community workers will be available to talk to you. For more information, call 258-4923.

BASIC SKILLS PROGRAM - (Meyer)

Description - This program emphasizes each basic skill area equally. Individual teachers decide which teaching methods and style to use. The student-teacher ratio is 30 to 1, with 1 paid aide and 2 volunteers for every 15 students.

Governance - Parents make policy decisions in meetings with teachers, school administration and the voucher program coordinator. Each classroom has a parent representative who is in touch with the teacher. Questions or problems are first raised with the parent classroom representative.

Evaluation - Students, by pretesting, progress testing, and final testing; observation; questionnaires; parent-teacher-child conference; and students personal evaluation; teachers, by parents through class room visits and observation; by administration, through classroom visits and observation; the program, by parent, teacher and administration interaction.

Communication with Parents - Written notices, meetings, conferences, home visits, telephone and classroom visits. Parents are expected to support the program by dialogue with the teacher and others involved.

Other Information - The basic skills to be covered include the following: (1) Social, (2) motor, (3) auditory, (4) visual perception, (5) speaking, (6) reading, (7) mathematics, (8) social studies (including multi-cultural studies and family life), (9) science, (10) physical education, (11) fine arts, and (12) language arts.

SULLIVAN INDIVIDUALIZED LANGUAGE ARTS SYSTEM
(Meyer)

Description - This program provides a full range of opportunities for the child to progress academically, socially, and emotionally within his abilities. The goals are improved reading and mathematics ability, enhanced self-interest, and greater parent/community involvement.

Programmed instruction is the main method. It is sponsored by Behavioral Research Laboratories (BRL), and provides solid foundations in reading and mathematics. The teacher may use the materials as he/she desires.

Governance - This is a highly structured program, so there is little opportunity for parents to be involved in policy decisions, but a great deal of opportunity to be involved in operating the program. Possible areas of involvement are tutorial services, material preparation, and encouragement and help at home.

Evaluation - Students, by informal evaluations during tutoring by observation; in-book tests, in the programmed materials; post-tests at the end of every unit; teachers, by self-evaluation, by principal, and by BRL consultant's evaluation. Program, by subjective teacher evaluation; by sponsors; by student progress and enthusiasm; by program directors; and by parent opinion.

Communicating with Parents - Written notices, phone calls, parent teacher conferences, and home visits. We expect parent support for the program including help at home or at the school, if possible.

Other Comments - There are no grades or report cards in this program. Each child proceeds, with direction, at his own pace. BRL materials are designed to meet each student at his instructional level, and provide him with success as he progresses.

FINE ARTS AND CREATIVE EXPRESSION - (Meyer)

Description - This program emphasizes creative expression and basic skill development through arts and crafts. Involvement in field trips, dramatic productions and the creation and sale of arts and crafts are included. Art related material is used for basic skill development. The student-teacher ratio is 30 to 1 with one or two aides per class.

Governance - Policy decisions are made jointly by teachers, parents and administrators, through meetings and individual contacts.

Evaluation - Students, by testing and observation of basic skills, attitude, and social development; teachers, by administrators, parents, and program success; program, by teacher-parent-administrator interaction. Students and parents participate in the evaluation of staff and program.

Communication with Parents - Written notices, meetings, conferences, home visits, telephone and word of mouth. Parent volunteers are hoped for.

Other Comments - A Fine Arts and Creative Expression Program encourages the development of self-understanding, basic learning skills, awareness of likes and differences, creative expression and aesthetic values.

SCHOOL 2000 - (Meyer)

Description - This program is future oriented, designed to provide students with self-awareness and thought processes necessary to adapt and function now and in the future. It stresses problem solving activities, learning by discovery, inquiry, and doing. It uses large and small group discussions, learning centers, multi-media instruction, and cross level grouping.

Governance - Decisions involving the internal structure are made by representation teachers, and the principal based on communications from parents and students. All other decisions will be made by representation teachers, parents, students and the principal.

Evaluation - Students, by participation and attitude; completion of assignments; progress check list for goals and objectives; progress check list for academic levels; weekly evaluation; and, observation. Teachers, by peers, students and general program success. Program, by structural functioning of program; degree of student success; degree of parent involvement; community feed back; requests for new enrollments.

Communication with Parents - Conferences, parent observation, telephone, letters, visits and demonstrations. Parents are expected to serve as volunteers, help their children function effectively in School 2000, and attend conferences and meetings.

Other Information -

"When millions share this passion about the future we shall have a society far better equipped to meet the impact of change. To create such curiosity and awareness is a cardinal task of education. Education must shift into the future tense."

Alvin Tofler,
Future Shock

Grandin H. Miller Elementary School
1250 So. King Road
San Jose, California

Frank Wilkens, Principal

The Miller Elementary School will offer three different education programs this fall as a part of our participation in the internal voucher project. They are (1) Multi-cultural Program, (2) Academic Skill Development Program, and (3) Individualized Learning Program. Students, with their families, choose the program in which they want to enroll.

This report gives you a brief description of the programs. We will hold public meetings in the future to provide you with more information and answer questions. In addition, more detailed information on each program is being prepared, and trained counselors and community workers will be available to talk to you. For more information, call 258-4923.

INDIVIDUALIZED LEARNING PROGRAM (Miller)

Description - This program is designed to capitalize on the unique ways that children learn. Experiences will be created to accent this individuality. The motivation to learn is created through the enjoyment and success of tasks.

In this child-centered environment, individualized instruction will predominate. Learning centers, interesting activities, community assistance and varied materials will support the individualized program.

Regular academic subject areas will be taught in a positive and exciting learning environment. The student will be provided successful experiences in learning that will assist in the development of a healthy self image.

Decision Making and Communication - Parent suggestions, reactions and support are encouraged through open communication continuing throughout the year. Program policy decisions will be made by the professional staff.

Evaluation - No decision at this time.

Other Information -

MULTI-CULTURAL PROGRAM (Miller)

Description - This program stresses appreciation of the diversity of cultures while sharing the commonality of human needs. Emphasis is on human relations and self-pride, with respect for others. Mexican culture, as well as all other cultures represented by the students enrolled, is emphasized. Basic academic skills are stressed, and are offered in self-contained classrooms: reading, mathematics, English, spelling written expression, science, and health.

Cultural studies are taught by specialized teachers with the aid of community members, college students and special guests: Spanish, English as a second language, music, art, and social studies.

Programs and displays of each cultural unit are used, including folk dancing, food tasting, use of musical instruments, folk art, games of other cultures, field trips, customs, and history.

Basic skills are enriched by multi-cultural materials, and the proper use of English is stressed.

Decision Making and Communication - Parent suggestions, reactions and support are encouraged through open communication continuing throughout the year. Program policy decisions will be made by the professional staff.

Evaluation - No decisions have been made at this time.

Other Information - The multi-cultural program builds on success oriented group teaching.

ACADEMIC SKILL DEVELOPMENT PROGRAM (Miller)

Description - This program is founded on the belief that basic skills can best be achieved through consistency, routine and structure. Children learn best with guidance from a teacher and in a success oriented environment. A child succeeds in this program because it is basically geared to his needs and abilities.

The emphasis in this program is on basic skills. Each academic area (reading, mathematics, language arts, social studies, science and health) is taught as well as Enrichment programs such as music, art and physical education.

The Kindergarten program is self contained with emphasis on Reading Readiness. In grades 1-6 reading is completely ungraded. Children's needs are assessed at the beginning of the program, and they are placed according to these needs regardless of grade level. The reading program is staggered at all levels so the children children can benefit from personalized instruction at smaller class size. Various approaches to reading are used according to the child's need, such as "Distar," language experience, literature and basic texts. With future evaluation, flexibility prevails and the child advances with his ability.

Subject areas are departmentalized as in junior high school. Teachers have chosen subject areas in which they are skillful and interested, thereby contributing their enthusiasm and talents to their students. In this program, children experience opportunities for success with various teachers and their methods.

Enrichment activities are taught in the same manner as basic skills.

The children will move to designated rooms which are organized according to subject areas; for example, the math teacher sets up the room as a math room which includes all math materials.

Decision Making and Communication - Parent suggestions, reactions and support are encouraged through open communication continuing throughout the year. Program policy decisions will be made by the professional staff.

Evaluation - No decision at this time.

Other Comments -

Pala Middle School
149 N. White Road
San Jose, California

Armen Hanzad, Principal

The Pala Middle School will offer five different education programs this fall as a part of our participation in the internal voucher project. They are (1) Three "R's" Plus School, (2) Creative Arts, (3) Fine Arts, (4) Math Science, and (5) Girls' Physical Education Emphasis. Each of these programs is served by a Central Resource Center, to provide the student with additional resources and to assist the new programs in motivating students. Students, with their families, choose the program in which they want to enroll.

This report gives you a brief description of the programs. We will hold public meetings in the future to provide you with more information and answer questions. In addition, more detailed information is being prepared, and trained counselors and community workers will be available to talk to you. For more information, call 258-4923.

"THREE R'S" PLUS SCHOOL (Pala)

Description - This program emphasizes the individual student's mastery of skills traditionally considered important for success in this society: reading, writing, arithmetic, science, social studies, music, art and physical education. Reading skills are stressed most heavily, and teachers use diagnostic tests to determine which students require remedial assistance. Children are also evaluated when they enter to determine their language arts ability and units of the program are planned weekly in staff meetings. Teachers choose the techniques they use for teaching social studies.

Governance - Decisions are made with full staff approval, and enacted with administrative support and parental concurrence. Parent input is made at meetings set up for that purpose, and written reports are sent to parents.

Evaluation - Students evaluate themselves, and are evaluated by teachers, parents and groups. Teachers' performance is evaluated by other teachers, administrators, and, possibly, by students. Program evaluation is achieved by beginning and ending diagnostic tests. The rate of return to the program by students is also a form of program evaluation.

Conferences, folders, tests and telephone calls are used to inform parents about student performance.

Communication with Parents - The conferences and reports on student progress are supplemented by group meetings.

We expect parents to provide a high level of interest, cooperation, guidance and support.

Other Information - Our strength lies in the size of our classes and our proximity to each child at least 5 hours daily. Our staff has a wide and varied background.

CREATIVE ARTS PROGRAM - (Pala)

Description - Our curriculum is geared to the capacities and interests of the student. The educational experience offered is carefully related to their needs and interests. This program is based on three components, that we believe make a complete program of education:

- . Traditional knowledge
- . Knowledge of practice
- . Practice

Knowledge of practice encompasses man's way of doing which brings about, through action, what is of value.

Knowledge of practice requires an organized body of knowledge, a system of concepts and unifying themes which apply to the world of industry and the world of family living.

Practice develops the skills necessary for creation of what is valuable.

Governance - Policy decisions are made by teachers, and the program manager (principal), with advice from parents. Parents have the final decision as to whether or not to enroll their children in the program.

Evaluation - Students are evaluated in terms of the material taught. Teachers are evaluated in terms of goals and objectives worked out with the program manager. Program evaluation is conducted by teachers and the program manager, in connection with "feedback" from the community.

No decision has been reached about informing parents about student performance or involving parents or students in program - staff evaluation.

Communication with Parents - As the need arises, various methods are used: written notices, meetings, conferences, home visits, and telephone.

Other Information - In this program, students receive necessary academic preparation for high school: reading, language arts, and mathematics.

FINE ARTS PROGRAM (Pala)

Description - This program is based on music and art as special subject areas, with reading, mathematics, language arts and social studies taught using music and art as the point of departure. Each of these areas correlates, to provide continuous educational development.

The influence of historical, social, political, economic and religious effects on music and art through the centuries is also presented.

This program provides students with special interests in music and art to concentrate in these areas without giving up fundamentals. This permits each child to have an opportunity to develop unique talents at his own level of interest and ability.

Governance - Policy and operating decisions are made by experienced teachers. Because this program stresses two subject areas, decisions require a knowledge and understanding of music and art and how they are to be related to other subjects.

Evaluation - Written grades and reports are prepared to assess student progress, and either letter grades or a check list is used. Parent conferences are held at the parents' request.

Communication with Parents - Student progress reports in the form of report cards are sent home regularly. Telephone calls and group meetings are also used.

Parents are expected to support the program and its philosophy, to encourage the highest level of work possible.

Parents are encouraged to visit and observe the program in operation.

Other Comments -

MATH-SCIENCE PROGRAM (Pala)

Description - This program stresses mathematics and science as the core of the program. Reading, language arts and social studies are taught with a math-science orientation.

Class size for math is 30 students per teacher, and 25 per teacher in laboratory sciences.

Governance - Policy decisions are made by teachers and administrators, with advice from parents.

Evaluation - Students are evaluated by teacher observation and quizzes. Teacher evaluation is performed by the program manager. Program evaluation is conducted by student questionnaires and the program manager.

Parents are informed about student performance by written evaluation, conferences, phone calls, and report cards.

Communication with Parents - Parents receive written notices, telephone calls, and home visits, and are expected to attend occasional meetings. Parents are also expected to honor conference requests, and provide feedback on the work of students.

Other Information - Although this is a math-science program, communication skills are emphasized.

GIRLS' PHYSICAL EDUCATION EMPHASIS PROGRAM (Pala)

Description - This program is offered two periods a day to all girls interested in lifetime sports. Because each girl differs from every other in her capacities, needs and interests for physical education, it is important that girls with a keen interest in physical education be given the opportunity to further develop skills and leadership ability.

The goals are to:

- o Provide an effective program which emphasizes physical development in team and individual sports.
- o Promote interest and skill in a "lifetime" sport for leisure time.
- o Provide a wider variety of activities to help students make an intelligent choice of recreational activities in later years.
- o Promote interest, understanding and enjoyment of sports as a spectator.

Two hours of physical education per day are offered. One hour is devoted to team sports, and one hour focuses on the development of "lifetime" individual sports skills.

In addition to daily activities, each student is involved in tutoring and leadership activities with general physical education classes.

Girls from any other program can choose to be part of this PE Emphasis. These girls would spend the morning class time in their regular program and be part of the PE Emphasis in the afternoon. Girls' Physical Education Emphasis Program students should be scheduled in the afternoon for activity periods.

Team sports offered are:

o Volleyball	o Soccer
o Speedball	o Basketball
o Volley-tennis	o Softball
o Flag football	

Individual "lifetime" sports offered are:

o Archery	o Bowling
o Badminton	o Paddle tennis
o Tennis	o Swimming

Governance - No decision at this time.

Evaluation - Evaluation is based on individual analysis of efficiency in movement skills, throwing, kicking, stretching, body movement, large muscle movement, fine muscle movement and physical fitness.

Communications with Parents - No decision at this time.

Other Comments -

Appendix D

CALIFORNIA SENATE BILL SB 600

AMENDED IN ASSEMBLY SEPTEMBER 6, 1973

AMENDED IN SENATE AUGUST 7, 1973

AMENDED IN SENATE JUNE 1, 1973

AMENDED IN SENATE MAY 7, 1973

SENATE BILL

No. 600

Introduced by Senators Harmer, Alquist, and Gregorio
(Coauthor: Assemblyman McAlister)

April 3, 1973

An act to add Chapter 2.5 (commencing with Section 31175) to Division 22 of the Education Code, relating to demonstration scholarships.

LEGISLATIVE COUNSEL'S DIGEST

SB 600, as amended. Harmer. Demonstration scholarships.

States legislative intent with respect to Demonstration Scholarship Act of 1973.

Enacts Demonstration Scholarship Act of 1973, authorizing no more than four school districts or groups of districts of specified a.d.a. to participate in demonstration scholarship programs whereby the districts would make educational scholarships available to school pupils in kindergarten and grades 1 to 12, inclusive, residing in a demonstration area.

Prescribes standards for determining amount of scholarship.

Provides that the scholarship may be used at any school, including private schools, meeting prescribed standards.

Permits demonstration school districts to contract for demonstration scholarship programs and to receive funds.

Limits duration of such programs to up to 7 years.

Vote: majority. Appropriation: no. Fiscal committee: yes.

SB 600

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 2.5 (commencing with Section
2 31175) is added to Division 22 of the Education Code, to
3 read:

4
5 CHAPTER 2.5. THE DEMONSTRATION SCHOLARSHIP
6 ACT OF 1973
7

8 Article 1. General Provisions
9

10 31175. This chapter shall be known and may be cited
11 as the Demonstration Scholarship Act of 1973.

12 It is the intent of the Legislature to enable one or more
13 school districts in the State of California to participate in
14 no more than four demonstration programs designed to
15 develop and test the use of education scholarships for
16 schoolchildren.

17 31176. The Demonstration Scholarship Program is
18 designed to test the proposition that permitting school-
19 children and parents to choose among schools, including
20 schools offering differing approaches to instruction will
21 ~~through healthy and constructive competition among~~
22 ~~schools~~ develop a school system more responsive to the
23 students it serves.

24 The program in each participating school district shall
25 be designed to produce maximum flexibility and
26 versatility in all aspects of the development of the
27 program including, but not limited to, budgeting,
28 research, evaluation, parent-teacher relations,
29 curriculum, and staffing.

30 31177. As used in this chapter:

31 (a) "Demonstration Scholarship Program" means a
32 program for developing and testing the use of
33 demonstration education scholarships for schoolchildren
34 in kindergarten and grades 1 to 12, inclusive, or any
35 combination thereof.

36 (b) "Demonstration area" means the area *located*

1 *within the boundaries of a school district* designated by
2 the participating local board for the purposes of a
3 demonstration program.

4 (c) "Scholarship" means the ~~voucher~~, drawing right,
5 certificate or other document made available to
6 participating parents or legal guardians by the
7 demonstration board, which may not be redeemed
8 except by participating schools which satisfy the
9 requirements of this chapter.

10 (d) "Demonstration board" means a high school,
11 unified or elementary school district governing board, or
12 a combination of such school district governing boards or
13 a board appointed by the participating local board or
14 boards for the duration of the demonstration under the
15 terms and conditions established by the local board or
16 boards, contracting with a state or federal governmental
17 agency to conduct a demonstration scholarship program.

18 (e) "Participating school" is a school *located within*
19 *the boundaries of a school district* which has been
20 selected by a demonstration board to receive
21 demonstration scholarships, and otherwise meets the
22 requirements of this chapter.

23 (f) "Contract" means the agreement entered into by
24 a local board and a state or federal governmental agency
25 for the purpose of conducting a demonstration
26 scholarship program.

27 (g) "Participating local board" means the governing
28 board of a school district participating in a demonstration
29 scholarship program.

30
31 Article 2. Establishment and Administration of
32 Demonstration Programs
33

34 31180. There is hereby established the
35 Demonstration Scholarship Program, to exist for not
36 more than seven years commencing upon the effective
37 date of this section.

38 31181. A school district governing board, or
39 combination of school district governing boards, may
40 contract with a state or federal governmental agency to

SB 600

1 establish a demonstration scholarship program and to
2 receive funds to support such programs. There shall be no
3 more than four demonstration scholarship programs.

4 31181.5. Any decision by a governing board to
5 participate in a demonstration scholarship program, and
6 any decision by the board relating to such a program, is
7 a proper subject for meeting and conferring under
8 Article 5 (commencing with Section 13080) of Chapter 1
9 of Division 10.

10 31182. The demonstration board shall control and
11 administer the demonstration program, and shall adopt
12 rules and regulations for the efficient administration of
13 the demonstration scholarship program. These rules and
14 regulations shall provide for the following:

15 (a) Comprehensive information on all eligible schools,
16 as defined in Section 31185, shall be disseminated by the
17 demonstration board to the parent or guardian of each
18 eligible child in the demonstration area within a
19 reasonable period of time prior to the commencement of
20 the school year for which the demonstration scholarships
21 are to be issued.

22 Provision shall be made to advise all eligible recipients
23 of the opportunities available to them under this chapter.

24 (b) The demonstration board shall ascertain that no
25 arbitrary action by any school would invalidate the
26 admissions standards established in this chapter, and may
27 review, approve or disapprove the expulsion or
28 suspension of any student by any eligible school.

29 There shall be an advisory board consisting of parents,
30 teachers, administrators, and other appropriate persons
31 selected by such procedures as may be developed by the
32 demonstration board.

33 31183. The scholarship funds may be made available
34 for the 1973-74 school year, and for each subsequent year
35 of the demonstration.

36 31183.5. The demonstration board shall award a
37 scholarship to each schoolchild residing in the
38 demonstration area, subject only to such age and grade
39 restrictions which it may establish.

40 The scholarship funds shall be made available to the

1 parents or legal guardian of a scholarship recipient in the
2 form of a voucher, drawing right, certificate, or other
3 document which may not be redeemed except by
4 participating schools which satisfy the requirements of
5 this chapter.

6 31183.7. All scholarships are exempt from state
7 income taxes.

8 31184. The demonstration board shall establish the
9 amount of the scholarship in a fair and impartial manner,
10 as follows:

11 (a) There shall be a basic scholarship for every eligible
12 student in the demonstration area. The method of
13 computing the value of the scholarship shall be included
14 in the contract.

15 (b) In addition, there shall be a compensatory
16 scholarship for disadvantaged children. The amount of
17 such compensatory scholarships and the manner by
18 which children may qualify for them shall be included in
19 the contract.

20 31184.5. The contract shall provide for additional
21 pupil transportation costs incurred by the district as a
22 result of the demonstration. The contract shall provide
23 funds for increased costs caused by the transition and
24 operation of a demonstration scholarship program.

25 31185. The demonstration board shall authorize the
26 parents or legal guardian of scholarship recipients to use
27 the demonstration scholarships at any school in which the
28 scholarship recipient is enrolled which also:

29 (a) Meets all health and safety standards required by
30 law.

31 (b) Does not discriminate in the admission of students
32 and the hiring of teachers on the basis of race, *religion*,
33 color, national origin, economic status, ~~or political~~
34 ~~affiliation~~ *political affiliation, or sex* and has filed a
35 certificate with the State Board of Education that the
36 school is in compliance with Title VI of the Civil Rights
37 Act of 1964 (Public Law 88-352); and provides that
38 students from disadvantaged racial or bilingual minority
39 groups be admitted in proportion as such students make
40 application; and takes an affirmative position to secure a

SB 600

1 racially, ethnically, and socioeconomically integrated
2 student body which shall, to the greatest possible extent,
3 reflect the racial, ethnic, and socioeconomic composition
4 of the demonstration area. Any school that receives
5 applications in excess of enrollment capacity shall fill at
6 least 50 percent of its enrollment capacity by a lottery
7 among the applicants, to further assure
8 nondiscriminatory admissions procedures, except when
9 the contract provides that students currently enrolled
10 and their younger siblings are not subject to the lottery.
11 Enforcement of this subdivision shall be vested in the
12 demonstration board. The demonstration board shall
13 immediately investigate all complaints of violations of
14 this subdivision and, after adequate notice and hearings,
15 shall suspend redemption of any scholarships by any
16 school in violation of this subdivision. The decision of the
17 demonstration board shall be final, except that nothing in
18 this subdivision shall be construed so as to deny judicial
19 review. In the event an otherwise eligible school is
20 subsequently found to be ineligible, the demonstration
21 board shall immediately notify the parents of the students
22 in attendance of such ineligibility. In such a case the
23 district shall provide for the continuing education of the
24 child at another school.

25 (c) In no case levies or requires any tuition, fee, or
26 charge to the participating student above the value of the
27 education scholarship.

28 (d) Files with the demonstration board a statement of
29 financial responsibility in compliance with standards
30 established by the demonstration board.

31 (e) Provides public access to all financial and
32 administrative records and provides to the parent or
33 guardian of each eligible child in the demonstration area
34 comprehensive information, in written form, on the
35 courses of study offered, curriculum, materials and
36 textbooks, the qualifications of the teachers,
37 administrators, and paraprofessionals employed, the
38 minimum schoolday, the salary schedules, the actual
39 amount of money spent per pupil and such other
40 information as may be required by the demonstration

1 board. In no case shall the public have access to personal
2 information concerning individual pupils without the
3 express approval of the students' parents or guardians.

4 (f) Offers a comprehensive course of study in the basic
5 skill areas of mathematics and the English language.

6 (g) Maintains a register of reports, including monthly
7 attendance, and any other information as may be
8 required by the demonstration board.

9 (h) Expends the scholarship funds exclusively for the
10 secular education of students.

11 31185.1. (a) No participating local board shall
12 require a certificated employee of the district to serve in
13 ~~a participating school. If such an employee refuses to so~~
14 ~~serve, that fact may not be considered by the board in any~~
15 ~~determination relating to the employee; a participating~~
16 ~~school except under such circumstances and in~~
17 ~~accordance with such procedures as are approved by the~~
18 ~~certificated employee council of the demonstration area.~~

19 (b) Each participating local board shall provide for the
20 advice and assistance of the certificated employees of the
21 district in the development of the demonstration
22 scholarship program. Such duties for certificated
23 employees shall be instead of the classroom or other
24 duties normally performed by them.

25 (c) The participating local board shall employ a
26 teacher coordinator in each participating school. Such
27 person shall be selected by the teachers of the
28 participating school from among their number, and shall
29 be assigned the coordinator duties in place of a portion of
30 his regular teaching assignments.

31 (d) Each participating local board shall make
32 in-service training relevant to the demonstration
33 scholarship program available to teachers in participating
34 schools.

35 31185.2. The demonstration board may suspend
36 redemption of any scholarships by any school not
37 complying with the provisions of this chapter, after
38 appropriate notice and hearings.

39 31185.3. Each demonstration board shall establish a
40 parent-teacher needs assessment committee whose

SB 600

1 function shall be to evaluate how well the educational
2 needs of pupils within the demonstration area are being
3 met by the participating schools.

4 31186. The Superintendent of Public Instruction and
5 other officers of the public school system shall take such
6 actions as are within their power to assure that the
7 demonstration board and participating schools have the
8 flexibility needed to effectively carry out the intent of
9 this chapter as defined in Section 31176.

10 31187. The Superintendent of Public Instruction may,
11 upon the request of a demonstration board, waive
12 selectively the application of any provision of this code to
13 a participating school, except for the provisions of this
14 chapter.

15 Such waivers may be requested on behalf of
16 participating schools, and on behalf of an appropriate
17 number of schools in the demonstration area which are
18 not participating in the demonstration scholarship
19 program.

20 The purpose of making waivers available to
21 nonparticipating schools is to permit the establishment of
22 a control group of schools of comparable characteristics
23 and size with the flexibility to innovate in education
24 without using demonstration scholarships. This may be
25 done in order to compare the progress of students and the
26 type and variety of educational offerings of control group
27 schools with that of schools participating in the
28 Demonstration Scholarship Program.

29 No statutory financial penalties shall be assessed during
30 the period of the demonstration which are associated
31 with those sections of this code which may be waived by
32 the participating local board for the purposes of the
33 demonstration.

34 31187.5. The demonstration board may rent or lease
35 any of its property, equipment, buildings, or other
36 facilities for the duration of the program.

37 31187.7. The demonstration board may authorize any
38 certificated or classified employee to take a leave of
39 absence for the duration of the demonstration
40 scholarship program for the purpose of accepting

1 employment directly related to the demonstration
2 scholarship program.

3 31188. The demonstration board may:

4 (a) Employ a staff for the demonstration board.

5 (b) Receive and expend funds to support the
6 demonstration board and scholarships for children in the
7 demonstration area.

8 (c) Contract with other governmental agencies and
9 private persons or organizations to provide or receive
10 services, supplies, facilities, and equipment.

11 (d) Determine rules and regulations for use of
12 scholarships in the demonstration area.

13 (e) Adopt rules and regulations for its own
14 government.

15 (f) Receive and expend funds from the state or federal
16 governmental agency necessary to pay for the costs
17 incurred in administering the program.

18 (g) Establish criteria for the selection of textbooks and
19 make selection of textbooks different from that
20 prescribed elsewhere in this code. No explicit waivers of
21 the provisions of this code are necessary for this purpose.

22 (h) The demonstration board shall develop and
23 publicize an evaluation system for the demonstration
24 scholarship program. ~~The evaluation system shall be~~
25 ~~based upon previously established goals and objectives.~~

26 (i) Undertake other such activities as are necessary
27 and incidental to carry out the purposes of this program.

28 (j) *Make any appropriate use of participating school*
29 *facilities, equipment, and supplies.*

30 31188.7. The meetings of the demonstration board
31 shall be open to the public and the residents of the
32 demonstration area shall be afforded the regular
33 opportunity to express themselves before the
34 demonstration board.

35 ~~(j) Make any appropriate use of participating school~~
36 ~~facilities, equipment, and supplies.~~

37 38 Article 3. Attendance

39
40 31191. The participating local board shall receive all

SB 600

1 public funds allocable to the demonstration area, and
2 shall transfer these funds to the demonstration board.
3 These funds shall include moneys apportioned to the
4 district from the State School Fund and the proceeds of
5 the property taxes levied for the district. For the purpose
6 of this chapter, the participating local board shall not take
7 any discretionary action to reduce the local property tax
8 rate during the demonstration period.

9 The demonstration board shall use these funds for the
10 demonstration scholarship program as provided in this
11 chapter and the terms of the demonstration contract.

12 31192. Participating schools may receive grants or
13 gifts from foundations, charitable trusts, governmental
14 agencies, or other public or private sources. Participating
15 schools shall maintain financial records which clearly
16 report all income, trusts, bequests, gifts, grants, or
17 donations which are used to defray the actual costs of
18 educating students in attendance. This section may not
19 be construed, however, to permit schools to receive funds
20 for the purpose of supplementing the demonstration
21 scholarships.

22
23 Article 4. Control by State Officers
24

25 31194. The purpose of this article is to permit the
26 demonstration board to include privately owned schools
27 among the choices from which parents and pupils may
28 select in using a demonstration scholarship, to broaden
29 the range of parental choice.

30 A demonstration board may permit privately owned
31 schools to participate in the demonstration scholarship
32 project on a selective and experimental basis; provided
33 that a privately owned school which participates in the
34 program, for the duration of such participation, shall
35 operate under the exclusive control of officers of the
36 public schools within the meaning of Section 8 of Article
37 IX of the California Constitution, and shall meet all
38 requirements of this code, except such requirements as
39 are waived pursuant to this chapter.

40 Each privately owned school which becomes a

1 participating school shall enter into an agreement with
2 the demonstration board setting the terms of
3 participation. Such terms shall assure the exclusive
4 control required by Section 8 of Article IX of the
5 California Constitution and this chapter.

6 31196. For the purposes of this article:

7 (a) "Officers of the public schools" means the
8 demonstration board.

9 (b) "*Privately owned school*" or "*privately owned*
10 *schools*" means an educational institution or institutions
11 which are not controlled by any religious creed, church,
12 or sectarian denomination whatever, nor have as their
13 objective the furtherance of any religious sect, church,
14 creed, or sectarian purpose, either directly or indirectly.

15 (c) "Exclusive control" means:

16 (1) The power to promulgate general rules and
17 regulations regarding the use of demonstration
18 scholarships.

19 (2) The power to establish the amount of the
20 scholarship.

21 (3) The power to prescribe rules and regulations
22 which are binding upon participating schools.

23 (4) The power to establish standards for teachers,
24 instructors, and textbooks.

25 (5) The power to review and approve the suspension
26 or expulsion of a pupil of a participating school.

27 (6) The power to make any appropriate use of
28 participating school facilities, equipment, and supplies.

29
30 Article 6. Construction of Act
31

32 31198. The provisions of this chapter shall be liberally
33 construed with a view to effect its object and promote its
34 purposes.

35 31198.2. If any section, subdivision, sentence, clause,
36 or phrase of this chapter is for any reason held to be
37 unconstitutional, such decision shall not affect the
38 validity of the remaining portions of this chapter. The
39 Legislature hereby declares that it would have enacted
40 this chapter and each section, subdivision, sentence,

SB 600

- 1 clause, or phrase thereof, irrespective of the fact that any
- 2 one or more of the sections, subdivisions, sentences,
- 3 clauses, or phrases be declared unconstitutional.

O

Appendix E

FINAL REPORT ON FIRST YEAR OPERATIONS OF THE ALUM ROCK VOUCHER PROJECT

SUBMITTED TO THE NATIONAL INSTITUTE OF EDUCATION
BY THE ALUM ROCK UNION SCHOOL DISTRICT
WILLIAM J. JEFFERDS, SUPERINTENDENT

Prepared by:
Sequoia Institute
Joel M. Levin, Project Director

I Introduction

In September, 1972 the Alum Rock Union School District (A. R. U. S. D.) launched the first test of an educational voucher system in the United States. The purpose of this document is to review the first year of this experiment, both to document the facts as they occurred and also to analyze, critically, the problems and benefits of the system. Because of the existence of a very thorough and extensive evaluation of the project by the Rand Corporation, we will explicitly avoid duplicating the evaluative work that is being reported elsewhere. Our expertise lies in the actual operation and functioning of the Alum Rock Voucher Project, and this shall be the focus of our attention.

We will try to emphasize several themes in the course of this report. First, a voucher system is an attempt to create a market mechanism in which professional educators are the producers of education, while children and their parents are the consumers. This economic model is crucial to the rationale of vouchers, and consequently, in contrast to most educational documents, we shall explicitly try to use some market terminology to describe the processes at work in Alum Rock. We recognize that this procedure will be suspect in the eyes of many professional educators; yet we believe that there is a certain reality, both economic and social, to the fact that education is a service that is provided by this society to its citizens, and that it is perfectly appropriate to consider various economic models for providing this service more effectively. Second, we have come to realize that this kind of social experiment is much more complex than simply establishing a new set of administrative procedures. When contemplating social changes of this magnitude, there are two major areas of change that must be addressed, and one can ignore either of them only at his own peril. These two areas are the administrative systems and the human systems. Time, thought and resources have been allocated to changing both of these, and consequently in our discussion, we shall try to emphasize both areas and emphasize the importance of each of them.

II Summary of Voucher Model

As described in the proposal from the Alum Rock Union School District (A. R. U. S. D.) to the OEO, the voucher model in Alum Rock was to be an attempt to create a market system in which a variety of alternative educational programs were provided by the professional educators (producers), and the utilization of these alternative programs was to be at the discretion of the parents and children (consumers). The mechanism to achieve this goal was

to issue a voucher to the parent of every eligible child which would be worth the annual cost of education of children in the Alum Rock Union School District. During the 1972-73 academic year, these costs were \$787.96 for K - 6 children and \$1,041.38 for 7th and 8th graders. In the absence of enabling legislation, the program was limited to public schools only, and in order to guarantee the existence of real choice and alternatives for parents in the absence of outside competition, a rule was adopted that each participating voucher school would be required to develop at least two independent mini-schools or programs. During the first year, six pilot schools participated in the project, and although required to develop only two alternatives each, most of them developed three or four so that parents were presented with 22 program options to choose from.

In the Spring of 1972 each of the pilot schools developed their program options and submitted one-page summaries of each program to the voucher office for distribution to parents. A staff of parent counselors composed of a coordinator, two professional counselors, and 12 parents from the community were chosen, trained and sent into the community to advise parents on an outreach basis regarding the options that were available to them. The information channels that were available for parents included direct conferences with parent counselors, written literature, public meetings at the individual schools, plus the informal channels of talking to the teachers and principals of the schools that they attended and already knew. After choosing a program, parents submitted an application form to the voucher office. This was processed and children were placed in their first choice programs. Parents were notified of their child's placement and this notification was accompanied by a voucher which was to be turned into the school on the first day of each child's attendance. This voucher would then be turned in by the school to the district office for a credit to the school's account for the face amount of the voucher.

III Alum Rock Voucher Project - Final Report on First Year Operations

A. Background

On April 26, 1972* the OEO awarded a grant of \$1,920,840 to the Alum Rock Union Elementary School District (A. R. U. S. D.) to carry out the nation's first demonstration of an Education Voucher System. Implementation was scheduled to begin in September, 1972 which implied that the following tasks would have to be completed before June 9, 1972, the last day of school:

1. Design of Alternative Programs - teachers and principals would have to design and succinctly describe an array of educational alternatives;
2. Hiring Administrative Staff - an administrative staff for the project would have to be hired, trained, and become operational;
3. Hiring Counselling Staff - a team of professional and para-professional counselors would have to be hired, trained, familiarized with the various programs, and organized to explain the project and the various options under it to the participating parents;
4. Providing Physical Facilities - Physical facilities and support personnel would have to be provided for the new staff members;
5. Developing Written Materials - Written materials would have to be developed, printed, and distributed to all parents -- including readily understandable descriptions of the project, descriptions of the program options, application forms, vouchers, etc.
6. Processing Vouchers - Parents would have to submit their choices and these would have to be processed in time to allow school staffs to be notified of the number of pupils in each program for purposes of staffing and planning.
7. Developing Business Procedures - New business forms and procedures would have to be developed and budgeting processes revised;
8. Interfacing Project with District - The whole voucher effort would have to be interfaced with the continuing normal operations of the rest of the district.
9. Coordinating Various Organizations - Functional working relationships would have to be established between seven distinct organizations which had to work very closely together - a) Alum Rock Union School District, b) OEO,

*In fact, the grant of April 26, 1972 was for only \$65,600; a second grant action on June 8, 1972 provided the remaining \$1,855,240.

c) Sequoia Institute, a non-profit Sacramento-based organization which was awarded the contract to administer the project for Alum Rock, d) Rand Corporation, the Santa Monica Research Organization which was directly accountable to OEO for the evaluation of the project, e) C. M. Leinwand, Inc., of Newton, Massachusetts, the recipients of the data management contract from OEO, f) The Center for Human Resources (HRC), a management training organization which was hired by Alum Rock to improve the management and communications skills in the district, and g) The Center for the Study of Public Policy (CSPP), a Cambridge, Massachusetts research institute which had developed the regulated compensatory model for OEO and had also provided technical assistance to school districts which had expressed interest in the project;

10. Planning and Conducting Parent Survey - An extensive parent survey would have to be conducted to provide the evaluation effort with some base-line data on parental attitudes before the project was started. This would entail developing and pre-testing survey instruments, hiring and training a team of surveyors, developing a sampling procedure, and administering the surveys;
11. Providing Information to Media - Information about the project would have to be provided to newspaper and magazine reporters, television and radio crews, educators, legislators, and other interested observers from outside the district.

B. Factors Contributing to Successful Implementation

Surprisingly, these tasks were successfully carried out in the six-week period between April 26 and June 9, largely because of the successful cooperation and sharing of expertise among the various participating groups. At the time of the grant award, there was a considerable pool of talent and knowledge regarding various aspects of the voucher demonstration which enabled the project to get off the ground so quickly.

1. Feasibility Study Training - During the course of two feasibility studies, Alum Rock personnel had already spent many hours in workshops with HRC discussing and clarifying their views on decentralization, autonomy, and alternative education. One of the results of these workshops was the creation of an enthusiastic constituency of teachers and principals who wanted more autonomy to be able to implement their educational ideas and perceived vouchers as a means of obtaining it. When the grant was awarded, these educators were ready. Most of them had already conducted preliminary explorations of their respective curricular interests and therefore were able to move quickly towards a firmer definition of their various programs.
2. Parent Participation in Planning and Design - The design of the Alum Rock Voucher model had been developed in a conference of 60 parents, teachers, and administrators; consequently, there was a group of enthusiastic, knowledgeable parents who were able to become the core of the parent counseling unit.
3. OEO and CSPP Expertise - Staff members of OEO and the CSPP had been theorizing and thinking about vouchers for several years. During this time, they had acquired a broad overview of the concept as well as a rather clear set of priorities and tasks that would have to be performed to implement a demonstration. Their presence in Alum Rock helped to get urgent tasks identified and accomplished before the project administrator was selected, and subsequently they served as interim staff, both performing assignments as needed and assisting in the training of permanent staff.
4. Leinwand & Company's Procedural Skills - Leinwand & Co. provided personnel to assist in developing procedures for collecting and managing data. In particular, they helped to develop procedures for manually processing, recording, and assigning the 4,000 voucher applications.
5. District Climate - An unusual climate of cooperation and good will existed among the Board of Trustees, the district administration,

and the local teachers' organizations. The support of the teachers permitted an intensive, task-oriented effort to be mounted without constant harassment from within.

- (a) Board of Trustees - The members of the Alum Rock Board of Trustees voted unanimously to approve the district's participation in the project and consistently supported the efforts of the staff to implement the demonstration. Recognizing the complexity of the undertaking, they kept well informed about the state of the project but consistently maintained a long-range policy perspective.
 - (b) Alum Rock Central Staff - The Alum Rock Central Staff provided consistent support and cooperation, patiently working to modify long-standing procedures without disrupting the operation of the district. Consistent work with HRC had brought significant changes in their operating and communication procedures and enabled them to make a reasonably smooth transition from the role of being line administrators to a role of providing staff support to the superintendent and functioning primarily as consultants to the principals of the various schools. Without the readiness for this transition, the whole process of decentralizing decision-making to autonomous voucher schools would have been impossible.
 - (c) Teachers' Organizations - The local chapters of the NEA and AFT both had the courage to support the district's participation in the voucher demonstration in the face of vitriolic opposition from their state and national parent organizations; without their support the demonstration could not have been undertaken. In addition to providing this political support, the teachers' organizations consistently made constructive suggestions and cooperated with the administration in designing a workable voucher model.
 - (d) Principals - The six pilot principals took a strong leadership role in encouraging their schools to volunteer to participate in the project. Having made this commitment they invested great quantities of time and energy not only in working with their own staffs and community, but also in helping to plan and design the procedures for implementing the demonstration.
 - (e) School Staffs - The teachers in the six pilot schools volunteered to enter the project with the full knowledge that participation would be very demanding and would imply serious risks. They spent long hours in planning programs, improving communication skills, setting priorities, and meeting with parents. Throughout periods of frustration and fatigue they maintained a consistent, professional concern for the welfare of the children as well as a vigorous commitment to make the project work.
6. Management Training - Finally, the commitment of time and resources to working with HRC helped to establish better communications within and between the various mini-schools and central office; consequently, many problems were identified early, discussed, and resolved before they became unmanageable.

C. The Proposed Alum Rock Voucher Model

All of this activity was directed at establishing the nation's first demonstration of allocating educational dollars through the mechanism of vouchers. Extensive sources are available (See Appendix A) which describe the background and development of the voucher concept, and therefore, this history will not be repeated here. In brief, the object was to establish a market mechanism in education. The consumers (children and parents) would be given equal purchasing power in the form of a voucher worth the annual cost of education; the producers (professional educators) would offer a spectrum of educational programs from which the consumers could choose; enrolling a child in a particular program automatically allocated his or her educational dollars to that program, so that successful programs would attract more resources, while unsuccessful alternatives would attract fewer children and, consequently, fewer dollars. This fundamental voucher feature was maintained in the Alum Rock experiment, although the actual model implemented contained a number of modifications from the original simple concept. The full details of the Alum Rock model can be found in the district's proposal to OEO, and we shall limit ourselves to a brief review of the salient features of this proposal for our present purposes:

1. Basic Voucher - Each child in the attendance area of the six participating public schools would receive a basic voucher;
2. Compensatory Voucher - Children who were eligible for the federal free lunch program would also receive an additional compensatory voucher worth approximately one-third of the basic voucher;
3. Mini-Schools - Each participating school would develop two or more alternative programs, or mini-schools, to guarantee the availability of real choices for parents and children;
4. No Supplementation - Children would not be required or permitted to supplement the size of their vouchers from personal sources.
5. Open Enrollment - All programs would be open equally to all applicants.
6. Variable Capacity - Over-enrolled programs would expand their physical capacities, moving to other sites, if necessary, in order to guarantee all students a place in their first choice program.
7. Parent Information - A central voucher office would be established to provide information about the various

programs to all participating parents in an objective, impartial manner.

8. Evaluation - An internal evaluation of the project would be conducted by the voucher office, and part of the function of this evaluation would be to gather information about the mini-schools for distribution to parents.
9. Income - The budget of each program would be determined by the total value of the vouchers brought to that program by the students who chose to attend it.
10. New Schools - Outside groups could try to form new voucher schools by contracting with the district in compliance with state law; these initiatives could be taken by groups of parents, public teachers, or non-public school educators; authorized new schools would also be funded through the voucher income of eligible children attending their program.
11. Education Voucher Advisory Committee (EVAC) - A committee of voucher parents and staff would be established to advise the board on matters relating to the project; this committee would be composed of one parent and one staff member from each participating school.
12. Transportation - Free transportation would be provided to enable every student to attend the school of his choice without cost.
13. Transfers - Pupils would be entitled to transfer to other programs quarterly on a space-available basis; the voucher income of each transferred student would be divided equitably between the receiving and donating programs.
14. Inservice - Inservice funds would be provided to enable teachers to design alternative programs.
15. Management and Communication Training - Funds would be provided to hire consultants to train staff at all levels in improving their communications skills, redefining their roles, and refining their management skills.
16. Central Service Decentralization - The cost of certain services (psychologists, curriculum coordinators, and instructional media) which had previously been provided centrally by the district would be determined on a per pupil basis and "voucherized". The funds thus distributed to the mini-schools could then be utilized for these or any other purposes in accordance with the priorities of the

mini-school. For example, if a mini-school wanted the services of a psychologist, it would have to hire one from either inside or outside the district at the prevailing daily rate.

17. Cross-Management - If over-enrollment forced a school to expand to more than one physical site, some form of corss-management would be devised to allow the program manager to maintain curricular responsibility for the off-site program.
18. District Policies and State Law - The demonstration would be carried out in compliance with the district policies of the Alum Rock Union School District and the education code of the State of California; in particular, there would be no infringement of the tenure rights of teachers.

D. Why Alum Rock?

Alum Rock Union School District is one of the poorest school districts in California with an assessed valuation of only \$ 6,890.00 per child. Consequently, it has been assumed by some and alleged by others that Alum Rock undertook the project simply to get some federal money, without regard for the merits of the program. This allegation is blatantly incorrect. Those who assert this position are either irresponsibly uninformed or deliberately misrepresenting the facts. The public record should be very clear on this point. The extra dollars brought in by the program were obviously welcome in the district, but the additional funding was not the only reason for deciding to participate in the project.

Basically, the Superintendent had been trying to make the schools more responsive to the needs of the community through:

1. development of greater parent involvement;
2. decentralization of decision-making; and
3. development of alternative education.

He perceived the voucher system as an effective vehicle for moving the district towards the achievement of these goals; the Board of Trustees and the staffs of the six pilot schools supported him in this belief. It cannot be emphasized too strongly that the Alum Rock Union School District entered the voucher project because of the conviction that the district's own goals and objectives would be furthered through its participation.

The process of developing sufficient local support for the project was long and painstaking. It was successful primarily because the decision-makers at OEO accepted the judgment and recommendations of the Superintendent with regard to the most effective procedures to be followed at the local level. An unusual climate of trust and goodwill existed among the Board of Trustees, the teachers' organizations, the principals, and the Superintendent. By moving sensitively, without disrupting these relationships, doubts and misgivings were gradually assuaged, and a consensus began to develop. Without the vigorous support and firm commitment of the Superintendent, the decision to proceed could never have been made.

E. Implementation I - Start-Up

During its second feasibility study, the Alum Rock Union School District hired the Center for Human Resources (HRC) to work with the staffs of six volunteer pilot schools in the areas of improving communication processes and exploring the concept of decentralization. Participation in these workshops carried no commitment - explicit or implied - to participate in a voucher system. However, the outcome of these sessions was a growing enthusiasm for decentralization and local decision-making. Consequently, the six schools proposed that in the absence of voucher enabling legislation the district should approach OEO with regard to the possibility of starting a transitional, all-public voucher demonstration. OEO responded positively, and a negotiation process began which involved parents, teachers, administrators, and OEO, with the Center for the Study of Public Policy providing technical assistance and assuming the role of "honest broker" between the district and OEO.

1. Design of Alternative Programs - When the grant was announced, pilot school staffs began to meet at once to explore the kinds of alternative programs which they wanted to develop and offer. Principals convened faculty meetings and invited teachers to brainstorm about educational designs which might be most effective with children in the district. Teachers with similar attitudes and philosophies grouped together and began to flesh out their ideas. Because of the extremely short time-lines, very few efforts were made to involve parents in this process. One notable exception to this pattern was the Meyer School where teachers developed a list of fifteen kinds of programs which they felt they had the competence to offer, with one page descriptions of each approach. A parents' meeting was called, with small teams of teachers available to describe each option. Parents were asked to specify the programs which they would prefer for their children, and these choices were tabulated. After combining some of the original categories, the teachers developed and offered the programs which had been most strongly supported by parents. In general, the procedure for developing program options was carried out under intolerable time pressures. Fortunately, each of the schools had spent several days in communications workshops with HRC, and this experience had begun to develop skills in group decision-making which were very useful to most of the faculties in designing their program offerings under the stress of short time-lines. It should be emphasized, however, that relatively little detailed planning was done at this time. Programs and philosophies were described with a broad brush to enable parents to make choices; intensive in-service planning was postponed until the summer recess.

2. Hiring Administrative Staff - Simultaneously, the district announced that it would consider proposals from outside organizations for a contract to administer the project. This contract called for a project director, a coordinator of information dissemination, and a coordinator of evaluation. Subsequently, in anticipation of the enormous demand for information about the project from the rest of the country, the information dissemination position was split into a coordinator of parent counseling (information to parents within the district) and a coordinator of information dissemination (to the outside world). In April, 1972, an additional position was created, entitled Coordinator of Systems Development. The need for this additional position and its temporary nature will be discussed in Section I - 2, Page 43. On May 3, 1972, the Alum Rock Board of Trustees awarded this contract to the Sequoia Institute, a non-profit corporation based in Sacramento, and Sequoia officially assumed responsibility on June 1, 1972. During the intervening period an ad hoc, informally organized team consisting of district administrators, CSPP staff, OEO staff, and future Sequoia staff carried out the necessary tasks. This interim period was very awkward because many of these operational people had no official capacity and no authority to make decisions.

Provisional channels for authorizing expenditures and approving decisions were quickly developed, but considerable strains were placed on both the operations of the district office and the patience of its personnel. For example, a team of para-professional parent counselors had to be hired and trained very quickly. District procedures on announcing new classified positions, applying, screening, and selection had to be complied with in minimal time. Recommendations for final appointments to these positions had to be made by members of the ad hoc team (who had no institutional lines of accountability) to the Deputy Superintendent. In-service training for the parent counselors was conducted by a staff member from the CSPP who was virtually unknown in the district; he was invited to perform this task by another CSPP field representative, who had been working with Alum Rock throughout the feasibility study. Material for distribution to Alum Rock parents was written and edited by OEO and CSPP staff members who also duplicated and assembled the pamphlets. Procedures became somewhat more rational after the Board selected Sequoia Institute because the future project director, while not officially "on board", was able to function with more legitimacy. On June 1 two members of the Sequoia staff, the project director and the coordinator of internal evaluation,

assumed their positions officially; the two information coordinators (for parent information and external information, respectively) did not begin to perform their functions until September because of prior commitments. Consequently, the entire crush of newspaper, magazine, television, and radio reporters who descended on the district when the contract was announced had to be handled without an information officer; furthermore, the hiring, training, and operation of the parent counseling staff had to be conducted without the presence of the coordinator of parent information who would ultimately be responsible for their performance. It should also be noted that the administrative hiring was complicated by the serious commitment of both the district and Sequoia Institute to implement an affirmative action policy. Historically, vouchers had been perceived by many critics as a covert attempt to allow segregated schools to develop; this background, combined with very strong political pressures in a district where 62% of the students belonged to ethnic minority groups, made it imperative to hire an administrative staff which was reflective of, and responsive to, the various minority communities. Vigorous recruiting made it possible to meet this requirement, and an outstanding administrative staff was assembled.

3. Hiring and Training Counselling Staff - Shortly after the OEO grant was awarded, the district announced openings for two full-time professional counselors and 12 para-professional counselors to serve on a full-time basis from May 1 to June 15. After mid-June, the para-professional staff was reduced to four half-time counselors. In recruiting for parent counselors, each of the six voucher principals was urged to recommend parents who were active in the school community and, if possible, bilingual. Furthermore, several of the parents who had participated in the voucher planning conference were quite enthusiastic and applied for these jobs. As a result of these efforts, a team of grass-roots parent counselors was hired who had a personal interest in vouchers because of both the participation of their children in the project and their own participation in the political process of bringing vouchers to Alum Rock.

Their first task was to conduct a survey of future voucher parents to acquire some base-line data, before the start of the experiment, on parents' attitudes towards the schools. OEO felt that this base-line data might be important in evaluating the experiment, but their evaluation contract with the Rand Corporation had just been announced so that the task

of gathering this preliminary data fell upon the new parent counselors. The questionnaire was designed by OEO and approved by the district; OEO personnel planned the logistics and provided inservice training to the parent counselor-surveyors. The survey was completed successfully, and the raw, completed questionnaires were turned over to Rand at a later date.

At this point, training the parent counselors for their main task of disseminating voucher information to the parents was a major challenge. Voucher programs had been developed and preliminary descriptions submitted. While each school had been required to offer at least two alternative programs, most had developed four so that a total of twenty-two mini-schools were available in the six voucher schools. The parent counsellors were responsible for helping parents to understand the various options and distinguish between them. Consequently, during a one-week training period this group of para-professionals had to be thoroughly familiarized with all the programs as well as the concepts, rules, and procedures of the voucher project.

Fortunately, Don Richard, a staff member of the CSPP, had written an exhaustive description of a model parent counseling component. Since no one in the district had both the time and expertise to train the counselors, he was invited to Alum Rock to perform this task with the help of the two professional counselors on the staff. The training period included workshops to open communications and consolidate the group, lectures and discussions on voucher theory and practice, the role of parent-counselors, program descriptions, and, finally, meetings with the faculties of each mini-school to discuss in detail the nature and content of each program. Some mini-school faculties enjoyed these interchanges, while others were annoyed and resented the process of being questioned sharply by parents. In general, the parent counselors tried to pose questions which they expected to be asked by other parents in order to be able to develop authentic answers. Nevertheless, some of these sessions were tense and produced mutual distrust between the parent counselors and some of the mini-school faculties.

In general, the in-service training was very successful. The counselors emerged with a strong group "esprit" and a reasonable level of understanding of the different programs; in addition, they understood quite clearly (even fiercely) that their role was not to advocate one program or another, but rather to describe the options in order to facilitate the parents' choice.

Furthermore, they had internalized a sense of when they could provide adequate information themselves, and when they needed a professional counselor to help them. The training period was very gratifying to the participants; new relationships were formed, warm feelings flowed, and a sense of growth was experienced by most of the group. The only drawback, in retrospect, was that the intense level of support and concern could not be maintained by the overburdened ad hoc administrative staff, and consequently a sense of loss and resentment began to develop in the ensuing weeks when the workload increased while the level of personal attention decreased.

When the written materials, including the application forms and descriptions of the voucher system and the program options (see Appendix J) were finally written, translated, edited, printed, and assembled in packets, the parent counselors delivered them on a door-to-door basis to each parent in the project. Pre-paid, self-addressed envelopes for mailing the applications were enclosed, and the first applications began to come in within three days. Public meetings were held at each school to inform local parents about all the programs available to them, and counselors were available to answer questions. In addition, large numbers of requests were received for parent counselors to visit homes to assist parents in understanding the rules as well as the options available to them. By the time school closed for the year on June 9, approximately 60% of the 3,900 participating parents had submitted the application forms expressing their program preferences. Lists were compiled of non-respondents, and parent counselors spent much of the summer reaching out on a one-to-one basis and obtaining many of the outstanding vouchers.

4. Providing Physical Facilities - The district offices of Alum Rock Union School District consist of two, modest, one-story structures: an administration building (which is used to capacity) and a curriculum building which housed two district administrators, six curriculum coordinators, and four secretaries. In the absence of any lead time to develop new facilities, the members of the voucher staff, consisting of four administrators, two professional counselors, twelve para-professional counselors, a research assistant and two secretaries, plus a horde of visitors were superimposed on the curriculum building. Strains resulted because of both space limitations and conflicts of style. The curriculum office was a very professional operation; it was quiet, orderly, and serene. Suddenly it was deluged with a group of para-professional counselors, drawn from the community, primarily

made up of minorities, and not imbued with the restrained style of the district office. Furthermore, because of the scarcity of space, the counsellors all shared a single, large, open room in the middle of the building. Noise levels were markedly higher; coffee cups abounded; hearty unrestrained laughter and greetings became part of the landscape. Efforts were made on all sides to address these conflicts and minimize them; consequently, they never got out of hand. Nevertheless, the abrasiveness of conflicting styles and cramped quarters could not be denied. Furthermore, the main conference room in the building was converted into an office at the same time that the demand for conference rooms was increased because of the plethora of voucher-related meetings.

5. Developing Written Materials - One of the first tasks to be undertaken was the development of written materials for distribution to parents. Since half of the students were Spanish Surname, an immediate decision was made that all publicly distributed written materials would be bilingual; this translation process introduced still another time lag in the process of trying to inform the community. Nevertheless, the following materials were written, edited, translated, printed, and distributed to all parents by mid-May:
 1. What's a Voucher? - A highly illustrated handbook, at a very simple reading level, describing the voucher process and explaining the steps that each parent would have to go through.
 2. Why Vouchers? - A one-page statement explaining why the Alum Rock Union School District was participating in the voucher demonstration. This document was more theoretical, pitched at a higher reading level, and described the goals of the project.
 3. Educational Choices for Your Child - A booklet providing one-page descriptions of each mini-school in the project.
 4. Voucher application form - A document to be filled out by each parent specifying the first, second, and third choice program preferences for each child.
 5. Instructions - A sheet of instructions for filling out and submitting the voucher application form.

In addition, the packet addressed to each parent contained an explanatory cover letter from the Superintendent, and a stamped,

envelope for submitting the application form to the voucher office.

6. Development of Placement Rules - The Alum Rock proposal specified that no child (or sibling) would be forced to change school buildings because of the voucher demonstration unless he or she wished to do so. This feature came to be known as building squatters' rights. Furthermore, the proposal specified that all children would be guaranteed placement in their first choice of programs, but not necessarily in their preferred building unless they were squatters there. This feature implied a commitment to expand programs to more than one building (satellite) if they were over-applied. Placement would be simple if no tidal movements of children occurred, but if some schools became over-enrolled, problems could arise and procedures would have to be developed in advance. The placement rules which were developed can be found in Appendix B.
7. Processing Vouchers - The completed voucher applications were historical as well as operational documents. A contract had been awarded by OEO to C. M. Leinwand Associates in Newton, Massachusetts for the purpose of managing and processing the data generated by the demonstration in order to provide Rand with the basic information needed to perform an evaluation. Part of this data had to be pulled from the voucher applications. Furthermore, the patterns of parent choice were one of the areas which Rand was going to analyze. Consequently, a system of paper processing had to be developed which met the needs of Alum Rock, C. M. Leinwand Associates, and Rand.

Originally, OEO had anticipated hiring a special systems development contractor to construct this process, as well as to develop computerized attendance procedures, income/outgo budgeting procedures, etc. However, this plan was dropped, and the burden of ad hoc development of procedures fell on C. M. Leinwand, Associates. A full description of this process is attached as Appendix C. In brief, when a voucher application was received, the fact was noted by a check-off on a master list of children. Copies were made for Leinwand and for the School District's records. The original was checked for accuracy and completeness; the child's placement was encircled, and a stamp was affixed stating that the child had been assigned to the circled program; finally, a voucher was inserted with the processed application form and both were mailed back to the parent. The design of the voucher application forms and the elaboration of precise office

procedures for processing them were developed by C. M. Leinwand under great time pressures; their help was invaluable.

8. Developing Business Procedures - The Alum Rock Union School District Board awarded the administrative contract to Sequoia Institute on May 3, 1973. One week later, the newly designated project director met with the six pilot school principals for the first time. A number of critical issues needed discussion, but everything else was pre-empted when one of the principals opened the meeting by handing a memo to the new director and asking, "What do you think of this?" The memo had been sent to the voucher principals from the district office and stated that all requisitions involving voucher funds should be submitted to the project director for his approval. The tension was stunning. Voucher financing implied decentralized control and autonomous decision-making by project managers at the school level. If all requisitions had to be approved by a central project director, the game was over before it had begun. The procedure was quickly changed; requisitions were authorized by the building principal's signature and were forwarded directly to the business office for processing.

This incident is mentioned to illustrate the enormous changes in business procedures and budgeting which had to be developed for the voucher project. All expenditures had to be coded by both school and mini-school. Expenditure budgets of each mini-school had to be tied to income through projected enrollments; furthermore, each mini-school had to maintain a reserve to protect against the possibility of declining enrollment. The size of the basic voucher had to be established, but this seemingly straightforward number was not determined until October. Daily rates for psychologists and coordinators had to be determined, and procedures for requesting their services had to be set up.

A method for charging programs for teachers' salaries had to be established that would not force some fully-enrolled mini-schools into instant bankruptcy because of the high average salaries of their staffs. The faculties in the different schools were there for historical reasons beyond the control of the principal; mandatory transfers to equalize salaries were neither educationally desirable nor politically feasible. Consequently, it was agreed that an average teachers' salary would be determined, and each program would be charged this amount for each teacher. Similar agreements were reached for the salaries of principals, secretaries, and custodians. The determination of these averages raised still further questions. Should the averages be

district-wide or just the averages among the voucher schools? Should they be fixed at one point in time, or constantly readjusted during the year as staff shifted? Finally, there was a hard, practical question hovering in the background: if the decisions reached would require the district to spend more district funds in voucher schools, where would these funds come from? As a hypothetical illustration, assume that the average salaries of teachers in the voucher schools were \$1,000 more than the overall district average. Then each of the voucher schools would receive a full basic voucher. However, it would pay back only the district average salary per teacher, and the district would have to pay the difference between the teachers' average and actual salaries. With 120 voucher teachers and a hypothetical difference of \$1,000 per teacher, the district would have to contribute \$120,000 from its exceedingly meager reserve (in 1971-72, the district reserve was only \$150,000 in a budget of \$16,000,000).

In general, the hypothetical problem described above illustrates one of the project's most serious problems, i. e. the fact that only 25% of the district was in the project and all decisions had to be weighed in terms of how they would affect the remaining schools. In retrospect, from an administrative standpoint, it would probably have been much easier to implement the demonstration if the entire district had been included.

9. Interfacing Project with District - The previous discussion illustrates how the voucher project impacted every aspect of the district's operation. Business, personnel, curriculum, special services, community relations, payroll, maintenance, transportation, and evaluation all were affected. A mutual education process began when the superintendent's staff invited the project director to become a member; in retrospect, this was a crucial and important step. The following list represents some of the questions and problems which had to be resolved:
 - a. Personnel - Are the voucher schools bound by district hiring policy or can they fill vacancies purely in terms of their own needs? Can they get rid of teachers who don't fit into their mini-schools? When a voucher school hires an employee using voucher funds, does the school pay average or actual salary for the new person? If one mini-school in a building is over-applied

and another is under-applied, must the successful one pick up the excess teacher(s) from the other one or can they hire teachers from other schools - or even from outside the district - if they feel this will meet their program's needs more effectively? If they must receive teachers from the under-enrolled program, who gets to pick which teachers transfer? Can teachers who do not want to be in the voucher program be assured of transfer to a non-voucher school?

- b. Curriculum - What is the daily rate for a curriculum coordinator? Who receives priority if a voucher and a non-voucher school request the same coordinator (recalling that voucher schools pay a daily rate while non-voucher schools receive the service for no fee)? If voucher schools under-utilize their share of coordinators, how much of the central service reserve must be used to guarantee their salaries? When requesting a coordinator's services, can a voucher school specify the person or must it request the service and take whoever is available?
- c. Special Services - All of the above questions regarding curriculum coordinators are relevant to the psychologists in special services. In addition, how do we "voucherize" special education funding? What options are available to special education children, and how do we inform parents about these options? How can we obtain waivers from the state to permit us to develop alternative approaches to special education without losing state financial support?
- d. Community Relations - How does the parent counseling unit coordinate with the community relations office? How do we allow different models of parent involvement to develop while remaining consistent with board policy? How does the Educational Voucher Advisory Committee interact with other district advisory committees? How can we improve the quality of parent participation?
- e. Payroll - How do we charge the salaries of people who are employed by more than one mini-school? How do we charge fringe benefits? How do we charge substitutes?
- f. Maintenance - Given the additional resources of

voucher schools, how can we set priorities when requests are received from voucher and non-voucher schools? If voucher schools are willing to pay for certain maintenance services in order to obtain them quickly, how can the non-voucher schools, which lack the additional resources, be assured that their legitimate needs will be serviced?

- g. Transportation - How can the voucher application data be used to determine the number and routing of busses to assure that all voucher pupils will be transported to their schools at the appropriate times?
- h. Evaluation - Is evaluation of programs in a decentralized system a prerogative of district management or is it at the option of individual schools? Given the evaluation of voucher programs, is there a need to evaluate all district programs to help in determining effective use of resources?

In concluding this section, it must be re-emphasized that one of the most difficult general problems in implementing this demonstration was the fact that only part of the district was voucherized. This situation created enormous problems in trying to establish voucher rules that did not have a negative impact on non-voucher schools.

10. Coordinating Various Organizations

- a. Alum Rock, OEO, Sequoia, and CSPP - As a result of several years of planning and working together, key personnel from OEO, Alum Rock, Sequoia, and the CSPP had established working relationships of mutual respect and trust before the Alum Rock grant was announced. In the hectic activity of the first six weeks of the contract, these relationships were crucial in allowing very flexible, fluid roles and responsibilities to be defined in response to the urgent needs of the moment. The resources and personnel of all four of these organizations were directed at getting the task done, and this effort was unmarred by petty jurisdictional concerns. After the initial challenge had been met, the CSPP retired gracefully from the scene; OEO personnel returned to Washington and assumed an appropriate distance, maintaining communications with Alum Rock primarily through Sequoia Institute; the Alum Rock Union School District

and Sequoia worked out a mutually satisfactory relationship, with the project director accountable to the superintendent (not OEO) and functioning as part of the superintendent's staff; his role was primarily advisory, and he had virtually no line authority except over the central voucher staff. In general, these organizations have interacted very comfortably, with the possible exception of some confusion on the part of principals and teachers with regard to the role of Sequoia personnel (for example, are Sequoia personnel working for OEO or working for the district? -- Answer: the District).

- b. Rand and Leinwand - Rand and Leinwand entered the picture at the time that the Alum Rock contract was announced. There was some awkwardness in their roles because they were explicitly not accountable to the Superintendent of Alum Rock; they were directly accountable to the Evaluation Division of OEO, a distinct entity that was independent of the Research Division of OEO which was responsible for operating the experiment.

Leinwand was managing data for the purposes of the Rand evaluation; it also provided information to Alum Rock, but this was not its first priority. Leinwand's staff was extremely helpful to the district in every way possible, but when priorities had to be set, they had to give precedence to meeting their contractual obligations to the Evaluation Division of OEO, rather than to the operational

needs of the demonstration, and this situation led to some serious problems.

Similarly, Rand was performing an evaluation for OEO, not for Alum Rock. Informal agreements had been made to clear all evaluation activities with the Superintendent, by way of Sequoia's Coordinator of Internal Evaluation. In turn, to avoid duplication of research, Rand agreed to turn over certain testing results for the use of the internal evaluation. This placed Sequoia and the district in the position of being dependent on Rand for certain aspects of the internal evaluation, and yet not having the authority to require Rand to produce.

In general, however, the Rand interaction with Alum Rock Union School District was handled extremely well. At first, the onnipresent Rand observers were resented, but this was resolved in dramatic fashion at a meeting of the voucher principals with the Superintendent, project director, and HRC to discuss some charged and delicate issues. The Rand project director walked in and quietly took an inconspicuous seat. An awkward quiet period ensued. Finally, one of the principals referred to the intrusion openly and suggested that the presence of the Rand observer would inhibit the discussions, and therefore it would be helpful if he left. In the electric tension which followed, the Rand observer held his ground, pointed out the district's commitment to cooperate with the evaluation, and stated that the group would have to "bite the bullet" and face up to the presence of Rand observers. This forthright assertion was well received, and the observer was invited to stay. The issue never arose again.

- c. HRC - HRC had been working with some district personnel for nearly a year when the grant was announced. They were funded at the insistence of the superintendent who believed that systemic changes of the magnitude expected under a voucher plan would inevitably create human problems that would destroy the project unless resources were committed to solve them. In particular, behavior such as risk-taking, joint decision-making, giving up power, maintaining open communications, and sharing ownership of problems do not grow spontaneously; they must be taught and nurtured. To

create a successful, vigorous voucher system, a climate must be created which is conducive to the development of these new skills, and a change in the underlying "culture" of the participants must be wrought.

From the beginning, OEO was uncomfortable with the role of HRC. Some of their workshops seemed very close to "T-groups" and "sensitivity training", and mandating participation in such activities would raise serious policy questions. HRC stoutly maintained that they were running communications workshops and not sensitivity training, but some teachers were offended by these activities and one whole faculty refused to participate in any further workshops. Fundamentally, however, OEO wanted to test the voucher mechanism -- establish a set of voucher rules, turn the switch, and see what happens. The superintendent, on the other hand, felt that such an effort was doomed to failure - especially in the first demonstration. He wanted to try to implement a voucher system, but he also wanted to maximize the probability of success. He saw vouchers as an instrument that would create major social and cultural change, and he felt that it was imperative to lay the groundwork for such change through the work of an organization like HRC.

From an administrative standpoint, HRC had been selected by the Superintendent and was directly accountable to him. The relationship between HRC, the voucher principals, and the central staff was quite positive, but there were mixed reactions from the staff members at the various schools. Some conflicts developed between HRC and Sequoia Staff; these were addressed and resolved at the management level, but never fully eradicated at the staff level.

- d. Sequoia and the Alum Rock Union School District - An unusually cooperative working relationship developed between Sequoia and the district administration. However, there were serious problems between Sequoia and the principals. From the beginning, the principals had questioned the need for a central voucher administration, primarily because they felt that it would be a threat to their decentralized autonomy. The principals opposed having parent counselors working in their respective communities

who were not under their control, but the project director insisted that information dissemination had to be a centralized function in order to guarantee that parents would receive objective, disinterested information. Similar problems arose with regard to evaluation. To date, these disagreements have not been resolved.

11. Internal Decision-making - During this period, decisions had to be made about a multitude of problems such as the role of the parent counselors, the size of the basic voucher, limits on recruiting by individual mini-schools, billing, attendance procedures, etc. In a deliberate effort to avoid a renewal of centralized decision-making, a process evolved where meetings were held with the Superintendent, the Project Director, the six voucher principals, and a group facilitator from HRC; Assistant Superintendents were also invited to participate when topics relating to their special areas of responsibility were discussed. Decisions at these meetings were made by consensus.

This process was terribly time consuming and "inefficient". In addition to demanding a large segment of the superintendent's time, the principals had to be away from their buildings to participate in these sessions. Nevertheless, this approach was essential in allowing the demonstration to survive the first year. First of all, there were no precedents, so all decisions and policies had to be generated from first principles. Furthermore, these meetings provided an important, accurate feedback channel which kept the superintendent and project director in close touch with the problems that were developing in the schools before they became unmanageable. In addition, this process embodied a philosophy and attitude regarding power which was one of the objectives of the project. The superintendent provided a role model for moving power and authority from the central office into the schools; it was hoped that the principals would internalize this behavior and delegate much of their authority at the building level to the parents and teachers in their respective school communities. Finally, while the broad parameters of the project had been defined in the district's proposal to OEO, all the details had to be generated locally. The regular meetings permitted these decisions to be made in a way that would prevent tensions and frustrations at the school level from growing to the point where they endangered the success of the project. While the process appeared to be inefficient in some respects, it was critical to the survival of the project on several occasions.

12. Summary of Start-up Period - On the last day of school,

approximately 2,415 voucher applications had been received out of a total projected enrollment of 3,800. Given that there was no way to identify and contact the expected kindergarten children and that the schools normally experienced a turnover during the summer of approximately 15%, the total number of identifiable, returning children was only 3,000. Thus, in the six-week start-up period approximately 2,415 out of 3,000 returning identifiable students, or 80%, had responded and been placed in their first choice mini-school. Relatively few (about 100) parents had chosen to send their children to a different school, but this did not mean that parents had not exercised choice. Of the families with more than one child in the project, approximately one-third had chosen to place different children in different programs, albeit that most of these programs were in the neighborhood school. Furthermore, no patterns of racial segregation developed in either the schools or mini-schools.

F. Implementation II - The Summer Recess

School Activities - The first task after school was out and the results of the voucher selection procedure had been distributed was the reassignment of teachers whose programs had been under-enrolled into programs which had been over-enrolled. This was a difficult and sometimes painful process, but it had been anticipated and was usually solved by volunteers. Then the teachers in the voucher schools finally had the chance to dig into the task of planning their respective programs. In general, each mini-school staff assessed its own needs and scheduled inservice periods ranging from two to four weeks. During this period, the teachers fleshed out their hastily conceived programs, ordered materials, generated lesson plans, and improved their management and communication skills through workshops with HRC. As the summer progressed, the district budget began to take form; estimates of the value of the basic voucher were computed, and mini-schools drew up their preliminary budgets on the basis of projected enrollments.

Parent Counselling Activities - The voucher office used the vacation break to consolidate its operations after the hectic drive to distribute information and receive vouchers before the close of school. The parent counselling staff was cut back to two professional counselors and four half-time para-professionals. They conducted an intensive, follow-up outreach program to obtain outstanding vouchers. This effort was tedious, but successful. By the end of the summer 3,475 vouchers out of 3,800 had been processed.

The parent counselors also used the summer to review their procedures and suggest modifications for improving their performance in the areas of record keeping, accountability and understanding of program differences. They recommended more extensive inservice training and the development of more specific, detailed rules regarding eligibility for vouchers and transfers. Furthermore, they suggested that the voucher principals and administration meet with them to specify their role more precisely.

Evaluation Activities - The internal evaluation coordinator worked at assembling a wide array of evaluative instruments that would enable each mini-school to choose a custom tailored evaluation that would measure how effectively it was achieving its own goals and objectives. In addition, he met with several mini-school staffs to discuss evaluation and found that serious differences existed between the evaluation plans of the voucher office and the schools, respectively. The voucher office was planning to design a mutually satisfactory evaluation plan for each mini-school, including pre and post testing in cognitive areas for all programs, and sharing the results of this evaluation with both the mini-school faculty and the parents in the community, on the grounds that such information would be useful to parents in choosing programs for their children in the second year. The counter-argument was that such a plan would shut down the range of alternatives

and innovation. Teachers and principals made a strong argument that they were being put in a bind. On one hand, the administration was asking them to take risks and develop a significant array of alternative programs; on the other hand, they were to be evaluated by standard measures of cognitive growth, and this would be distributed to parents. They felt that this would place a priority on teaching for the tests, in traditional ways, and thereby discourage risk-taking and the development of significant alternatives. In particular, it seemed unreasonable to require such a public disclosure of evaluation results at the end of one year, especially in light of the impossibly short lead times. Previously, new programs within the district had shown bad results at the end of the first year, but then superior results at the end of the second year; premature public evaluation would have prevented such successful programs from having the opportunity to "get it together".

Fundamentally, this problem was a symptom of the conflict between the district's commitment to fully inform parents and its commitment to improve education by encouraging innovation and risk-taking. Subsequently, an agreement was reached which provided for a "soft" evaluation (parent surveys, budget analyses, etc.) at the end of the first year, with a commitment to provide parents with "hard" data in both cognitive and affective areas at the end of the second year of the project.

EVAC - The Education Voucher Advisory Committee (EVAC), consisting of one parent and one teacher from each school, was convened for the first time. Each principal was requested to submit the names from his school, and he was free to select or elect his school's representatives as he saw fit. From the beginning, EVAC's role was both controversial and imprecise. Historically, it was a vestigial remnant of the original OEO voucher model which had envisioned a voucher board which would make overall decisions about the project and be responsible for monitoring and enforcing voucher rules. However, the all-public nature of the Alum Rock experiment eliminated this role, and consequently, this element of the model was modified and the voucher board became advisory to the district's Board of Trustees. The voucher principals opposed a significant role for EVAC, in part because they felt that it would impose another layer of bureaucracy that would impede their ability to act. Throughout the year EVAC met and reviewed the development of the project, but it never developed a significant role during the first year of the project.

Staffing - Finally, administrative staffing was completed during the summer with the selection of a coordinator of parent counselling and a coordinator of information dissemination. These appointments became effective on September 1.

G. Implementation III - The First Voucher Year

On the first day of school about 300 children appeared who had not submitted their voucher application form; some of them were new to the district, and others had simply not responded. The parents of these children were informed about the voucher project by the parent counselors, and their children were placed in the programs of their choice. By this time, several of the schools were filled and adding more children required increasing class size. This caused great consternation among the teachers, and finally the rule requiring all mini-schools to remain open was rescinded because some of the large classrooms were considered to be educationally unsound. This rule change was a serious compromise with the voucher model because new children had to choose from those programs which were still open, and, with some exceptions, these were the programs which had suffered from under-enrollment.

In general, however, all programs survived and functioned. One school which was under-enrolled decided to use its compensatory money to reduce class size, thereby avoiding the unpleasant task of releasing two teachers. Some programs found that their previous inservice planning efforts had to be drastically revised or expanded. Most teachers found that they had more meetings to attend than previously, usually with other members of their mini-schools. In addition, HRC training continued and this demanded still more time.

Complications arose in determining the amount of the basic voucher, and because of the unusually high number of eligible students, the compensatory voucher also had to be revised (downward) in order to allow the available funds to cover all eligible children. Each revision in the calculation of the voucher amount required all mini-school budgets to be revised.

In order to be able to follow pupil transfers and attendance, a computerized attendance system was introduced which also served as a data base for the Rand evaluation. This system created an increased workload on the overburdened school secretaries, and this issue became a major source of frustration and discontent. The mini-school structure proved to be administratively cumbersome. Each mini-school faculty had its own philosophy and problems which were dealt with in separate meetings. Principals found that in addition to meetings of the full school staff to work out joint problems, they also had to attend meetings of each of the mini-school faculties as well as the increased number of meetings at the district office.

As Thanksgiving approached, nearly everyone associated with the project was exhausted. Teachers, principals, and central administrators had been putting in long hours operating a school system and simultaneously creating a new set of rules and procedures for the first voucher system in the country. Decentralization of decision-making led to more satisfactory decisions, but at the expense of more time for each one. Furthermore, the addition of significant amounts of additional discretionary funds drastically

increased the number of decisions which had to be made, and this combination of factors taxed the time and skills of teachers, principals, and central administrators.

To provide perspective on the magnitude of this problem, it must be noted that several of the schools (with 600 pupils) had been operating with a total discretionary budget of about \$2,000 before the beginning of the project. Suddenly they had decision-making authority over budgets in the neighborhood of \$100,000. These new resources allowed them to hire additional personnel (such as aides), but these people generated more paperwork for the secretaries and also taxed the physical resources of the schools. Similarly, the enormous increase in the number of purchases and field trips produced a flood of requisitions which had to be processed both at the school and the district offices. In short, the additional funds increased the administrative load at both the building and district levels.

In spite of these problems, the teachers seemed to feel a great sense of pride and "ownership" in the programs which they had designed, and they held on tenaciously until the welcome break of Christmas vacation. A summary of the state of the project in early December is attached as Appendix D.

When school resumed in January, some of the fatigue and pressure had been reduced. However, plans for the second year had to be developed. An invitation was issued to each of the non-voucher schools in the district to attend a pair of workshops where parents, teachers, and principals from the non-voucher schools could meet and talk with their counterparts from the voucher schools. In order to avoid any semblance of high pressure, the workshops were very informal. A brief fifteen minute presentation was made describing the fundamental voucher model, and then groups of resource people from the voucher schools were dispersed to several rooms, and non-voucher parents and staff were invited to discuss their questions with any of these groups. Interaction was lively, and questions were sharp. Voucher teachers and principals were quite frank in describing their problems, but generally they conveyed the sense that the benefits were worth the effort. In the meantime, the Board of Trustees had mandated that the decision on whether or not to enter the voucher demonstration must be made with the involvement of the community at each school. Because of the practical difficulties of running a voucher school with a reluctant staff, this mandate led to a "double green light" approach. If either the staff or the community did not want vouchers, the school would not participate; if both supported the idea, the school could join. After the workshops the delegates reported back to their full staffs, and those schools which were still interested took the next step of exploring the voucher concept and their commitment to it in two-day sessions with HRC. Each school determined its own minimal conditions for entry into the project, and each of them established a criterion ranging from 66% to 80% as the minimum level of staff support required to participate.

The deadline for final decisions was set at February 28th in order to

allow sufficient time for new negotiations with OEO. After weeks of dialogue and thought, seven new schools decided to enter the project in September, 1973.

In early March a conference was held including principals, teachers, and parents from the six pilot schools to review the project and suggest possible modifications to improve the model. The most important change which emerged from this conference was a change in the pupil placement procedure. Instead of guaranteeing first program choice to all students at any time, the conference overwhelmingly supported the establishment of a cut-off date on May 25, 1973. All applications received before this date would be guaranteed first choice. However, after this date each mini-school would be permitted to set its own capacity (subject to the overall requirement that all children had to be accommodated) and close its enrollment when that capacity was reached. The purpose of this change was to permit a more rational planning process to take place and to avoid the problems of large and growing class size which had created serious problems during the first year in some mini-schools.

During January, February, and March the internal evaluation office conducted and analyzed an extensive set of parent surveys and also analyzed the budget expenditures, attendance, enrollment, and ethnic characteristics of each mini-school. This material was compiled into a separate evaluation report on each mini-school which was distributed to the parents of each child in that mini-school. Reports on other programs were available to parents on request. In Appendix E a sample of a mini-school evaluation report is reproduced. A deliberate decision was made not to include hard data on achievement results in the first year's evaluation reports; however, a commitment was made that these reports would include hard data on the performance of each program at the end of the project's second year.

After completing new negotiations with OEO, the second year's voucher process began to take form. Programs were planned, modified, and described; new parent information packets, including the mini-school evaluation reports, were designed, printed, assembled and distributed; a computerized system of processing vouchers and placing children was designed and implemented and by May 25 % of the second year voucher students had been placed in the programs of their choice.

In general, parents seemed extremely pleased with the project. In several areas, parents with graduating elementary voucher students joined together and brought pressure to bear on their local middle schools to join the project to insure that their children could remain in the voucher system. Considerable anecdotal material indicated that many students who had disliked school in the past were now attending regularly and enjoying themselves. However, no definitive evaluation was available at this time in accordance with the district's decision, with OEO's approval, that evaluation material would not be publicized until the end of the second year of the project.

As the school year ended on June 14, it was clear that one point had

been established. A voucher system was administratively feasible; a full academic year had been successfully completed under voucher rules. Given a supportive climate, public school teachers had been able to design a spectrum of educational alternatives and implement them in a highly autonomous fashion. Children were educated; the schools functioned, and vouchers had completed their first year without destroying the public schools as many critics had predicted.

H. Impact of Vouchers on the Alum Rock School District

The Voucher Project affected the district profoundly. It challenged old ways of doing things, changed the culture and mode of interaction within the district, changed attitudes towards evaluation, increased the level of parent involvement and generally left no section of the district untouched. In particular, several impact areas should be singled out and discussed at more length.

1. Differentiation of Programs - The most obvious educational impact of the project was to create instant differentiation and alternatives in the educational offerings that were available to children in the district. While it may be argued that a voucher system that included private schools as well as public schools might have created an even broader spectrum of educational options, there is no question that a significant range of choices was offered to the children in the project. This was verified by a number of critical observers who visited the district with great scepticism about the possibility of significant diversity being developed in an all-public voucher system. However, even these sceptics acknowledged that the range of options was real and represented a significant cross section of the main educational schools of thought in the country.
2. District Culture - It was recognized by the school superintendent from the early deliberations regarding vouchers that the change required would be not only administrative and technical, but would also involve some fundamental modification of attitudes, styles, and modes of interaction between the people in the district. With this realization, the Center for Human Resources was retained by the district to modify and open up the styles of communication and decision-making among the various groups within the district. The behavioral changes on the part of the professional staff were perceived as necessary pre-conditions to the successful implementation of the administrative procedures, and this recognition and objective was backed up by the allocation of resources to make sure that the desired changes occurred. Historically, principals in the district had very little autonomy or authority to make decisions. Within recent memory, supplies had been purchased by the district and doled out in neat little packages on a table in the district office; principals came in a few days before the opening of school to pick up the package of supplies for their teachers. The movement from this total absence of decision-making to a role in which a principal was ultimately responsible for the expenditure of budgets in the neighborhood of \$100,000 was a change of such magnitude that it could not be left to chance. Management skills which

had been only minimally necessary in the past now became crucial. Resentments, animosities and hidden agendas which had not been impossibly dysfunctional in the past could no longer be maintained in a situation which required a shared ownership in the definition and resolution of problems. Fundamentally, there was an explicit recognition that a voucher system implied a rather profound social change, and that such a change could occur without upheaval only if extensive attention was paid to the cultural groundwork within which this change would have to occur. Consequently, resources were allocated not only to the development of appropriate administrative systems, but resources were also directed to the development of human systems which would be capable of coping with these new administrative procedures. HRC explicitly avoided sensitivity training, T-groups, and other emotionally loaded group interactions. Instead they conducted workshops in communications skills, team-building, and organizational development to improve the level of decision-making. HRC facilitators typically would meet with a mini-school or full school staff and make process observations to provide insight to the members of the group on the reasons they were having difficulty in reaching closure. After several sessions, the members of the group became proficient in their own right at being aware of these processes and soon were able to process themselves. Teachers, principals and administrators learned that they could discuss their own feelings without being ridiculed, and that they could disagree with each other overtly without hostility. The language of group process began to pervade the voucher schools; listening skills increased; teamwork improved; and a great sense of achievement was experienced by many of the participants in these sessions.

3. Teacher Peer-Pressure - A significant development during the first year of the voucher project was the sense of "ownership" which teachers began to feel about the programs which they had conceived, planned and implemented. In forming their mini-schools, ineffective teachers were shunned because others felt they would not share in carrying the workload or else would discourage parents from applying to their program. Once established, however, the teachers in a given mini-school worked cooperatively. They recognized that they shared a responsibility for making the mini-school work, and they realized that an unsuccessful program would not attract children. Consequently, the teachers became much more sensitive to the inadequacies of their peers. The main response to this recognition was an attempt to help fellow teachers to improve their skills. The more open climate for honest

communications which had been created by the HRC workshops helped and abetted this process.

In a general sense, the teachers in the mini-schools all participated in the management process. They were given a set of resources and were given the responsibility to allocate these resources in a way that would maximize the effectiveness of their programs. This management perspective helped teachers to see the broad view of educational decision-making and consequently reduced some of the tensions between teachers and administrators. On the other hand, it also gave teachers a management perspective on the problems posed by inadequate teachers, and instead of routinely banding together against the administration, teachers took a professional sense of ownership regarding the inadequacies of their fellow teachers and intervened accordingly. In a few cases, mini-school faculties took the extreme step of trying to eliminate poor teachers from their staffs. In general, these efforts were blocked by the district's personnel policy which provided strong protection for tenured teachers. Nevertheless, the initiation of such actions was significant.

4. Budgeting - The basic idea of per-pupil budgeting which was inherent in the voucher concept led to a new and profound understanding of some of the inequities and problems in the district's budgeting procedures. In particular, schools which, in the past, had received extra support from the district stood out quite clearly because these extra resources were displayed in the form of explicit subsidies.

For example, if a school had previously been allocated extra funds to deal with special problems, this was a legitimate prerogative of the district and was usually perceived as having little effect on the other schools. However, when such subsidies had the obvious affect of reducing the size of the voucher for all the other students in the district, serious questions began to be raised about the appropriateness and equity of providing such subsidies. This consciousness of inequitable allocation of district resources to all schools became very heightened during the course of the first voucher year.

5. Central Staff Role - As part of the decentralization process, the role of central staff had been redefined in significant ways. In the past, assistant superintendents had been administrators with direct line authority in their respective areas of responsibility. For example, decisions on placing

personnel in accordance with district policy were made by the assistant superintendent for personnel. However, such a structure was inconsistent with the new autonomy and decentralized decision-making powers that the district had been moving towards and which vouchers required. Consequently, a fundamental reorganization took place in which the superintendent's staff, consisting of the deputy superintendent, assistant superintendents, and program directors assumed an advisory role to the superintendent. The superintendent's staff did not make decisions which were binding on the schools, but rather made recommendations to the superintendent who in his line capacity would then make final decisions. The members of the superintendent's staff worked diligently at learning new roles and skills and functioning as consultants to the principals in their various areas of expertise. When a personnel problem arose, the assistant superintendent for personnel was available as a consultant to the principal to provide assistance and advice, but not to make final decisions. If a principal chose to disregard this advice, he was free to do so; but he was also responsible for taking the consequences of his action if his decision proved to be incorrect. There was always the additional option for a member of the superintendent's staff to refer a decision back to the line of authority if he felt that a pending decentralized decision by a principal might have serious impact on the district. The role of the central staff members became one of providing service rather than giving orders to the schools. The skills that were necessary to operate successfully in this mode were the skills of being a consultant, and significant amounts of time and effort were spent in conjunction with HRC to develop these skills among the members of the superintendent's staff.

6. Special Education - For a number of years there had been some discontent in the district with the usual process of segregating children in the special education programs from the other children in the district. However, it was difficult if not impossible to modify this procedure because the conditions of state funding required that special education programs should be offered as segregated, self-contained units. With the advent of the voucher system, many of the special education teachers began to explore alternative approaches to dealing successfully with children who were gifted, retarded, handicapped, etc. A waiver was obtained from the State Department of Education which allowed experimental special education programs to be implemented and evaluated. In particular, several schools

developed plans where special students were placed in regular classes, receiving extra support in a special class for part of the day, or in some cases, in their regular classroom from a circulating special education teacher.

7. Central Services - In the past, the district's central office had employed curriculum coordinators and psychologists and provided their services on an equal-time basis to all schools in the district. In the voucher system these salaries were decentralized by voucherizing them on a per-pupil basis and distributing them to the schools. The daily rate of curriculum coordinators and psychologists was established, and individual voucher schools were free to utilize these resources in any way which they saw fit to improve the education process at their building sites. If they chose, they could spend the full amount on the same services which they had received in previous years. Alternatively, they could hire more psychologists and fewer coordinators or vice-versa. If they were dissatisfied with the services offered by the district, they could hire outside professionals at the same daily rate as the district employees'. If they felt that these functions were not as critical as others which were not being provided, they were free to spend the income which they had received for curriculum coordinators and psychologists for other purposes including such possible items as materials, aides, or busses for field trips. The consequence of this decentralization was a reassessment of the value of these services to the schools. Instead of being a free service which a school had the right to, it became a resource which had to be compared with other educational expenditures, and choices had to be made as to what types of purchases would be most educationally beneficial. While the evaluation of this process has not been concluded, informal feedback has indicated that schools became much more demanding in the requirements which they made of the central resource people who came to their schools. For example, a school which was required to pay approximately \$100 per day for curriculum coordinators, frequently would make the commitment to hire someone only on the basis of an explicit set of tasks which they wanted to have performed for the money which they were providing. The burden of proof was placed on the psychologists and coordinators to demonstrate that the services which they could provide were as educationally cost effective as other expenditures which were available to the schools.

8. Income/Outgo Budgets - One of the key budgetary features of the voucher system was that each mini-school's financial life was governed by an income/outgo budget. Very simply this meant that a school's resources were determined by its voucher income, which in turn was determined by the number of children who were attracted to that school; its expenditures were limited by the income so acquired. This is a significant departure from the previous situation in which school budgets were determined on a centralized basis by allocating teachers, calculating their salaries, calculating other expenses at the school level and allocating a fixed amount on the basis of centrally determined criteria. As the district entered the second year of the project, the problems of having some schools on income/outgo budgets and others on centralized budgets became so difficult that a decision was made to place all schools in the district on income/outgo budgets. Non-voucher schools, however, were protected from fluctuations in enrollment and were guaranteed that the resources originally allocated to them on a per-pupil basis would be available to them throughout the year. Voucher schools, on the other hand, were still operating at the risk of losing children and income and having to deal with the consequences of such a loss.
9. Evaluation - One feature of the voucher project was the establishment of an evaluation team to gather data and analyze the performance of particular programs as well as the overall effectiveness of the project. This evaluation effort was the first concrete realization of a desire on the part of the district's central staff to examine all district programs to determine their relative effectiveness and thus give the Superintendent and his staff information on which to base broad management decisions. The existence of this evaluation effort in half of the district's schools during the second year of the voucher project, combined with the additional resources which were available from other funding sources, made the possibility of mounting a full evaluation of district programs a real possibility rather than a dream. The precedent had been set by the need for evaluation in the voucher project in order to provide parents with information to help them make decisions about their children's education. Following that precedent the district moved vigorously into a full program of evaluation for all projects in the district.
10. Parent Involvement - Several streams of thought in the district were converging towards the idea of increasing parent participation in the education of children. This

tendency was one of the reasons that the district chose to participate in the voucher project, with the hope that the voucher mechanism would enhance this process. While final conclusions cannot be drawn at this time, it does appear that parents have taken a more active role in the voucher schools; they have exercised their right to choose; they have participated vigorously in screening new staff members at both the building and district levels, and in general have taken more interest in their children's education. In this connection it is worth mentioning that significant numbers of parents explicitly did not want to participate in an active way in making decisions at the school level; many tended to feel that this was the job of professional educators. However, these same people seemed very pleased and comfortable at having the power to decide which programs their children would attend. This seemed to them to be an adequate level of parent involvement.

11. Voucher Pariah - An additional change which occurred as a consequence of the first year of the Alum Rock Voucher Demonstration was a general shift in attitude on the part of the "respectable" educational community with regard to the concept of vouchers. Previously, people who advocated vouchers were very suspect and often were considered to be enemies of public education. As the year progressed and observers from all over the country observed the project in Alum Rock, many people began to reassess their position on vouchers, and the whole subject became a respectable topic for educators to discuss. One amusing side-light to this change of attitude was the fact that people who had hysterically denounced vouchers in the past and were confronted with the obvious merits of developments in Alum Rock were left with only one recourse: to deny that the project in Alum Rock was a voucher project at all. The argument was made that the all-public model that was being instituted in Alum Rock was not a true voucher system because private and parochial schools were not included in the experiment. Such criticisms seemed to miss the fundamental point that vouchers were a means to create a market system of education. Without any question, the Alum Rock experiment succeeded in creating such a market place in which an array of alternatives was available for the educational consumers. It is true that the extent of the educational spectrum which was offered was not quite as great as one might have had under a voucher system which was not limited to public schools. However, it would be a serious error to confuse this modest curtailment of educational alternatives with the total absence of an educational market place. All market

systems are limited in what they offer to consumers by the moral and political decisions of the society in which they operate. For example, the free market system in America functions, but it is not permissible to sell narcotics, pornography, or certain kinds of drugs. To assert that these social limitations on the availability of certain products is equivalent to not having a market economy is a very serious error indeed. Similarly, to confuse the absence of private and parochial schools in Alum Rock for a non-market system of education would also be a serious misconception.

12. Role Changes - As a consequence of the voucher system, the role of teachers, principals and central staff changed in drastic ways. The transition of central staff members from the role of line administrators to staff consultants has already been discussed. Furthermore, the changed role of district psychologists and coordinators has also been mentioned. At the school level, however, significant changes were also occurring. Teachers were given a significant new degree of authority to determine the most appropriate expenditures of their educational dollars. Principals, while maintaining ultimate responsibility for school operations, frequently functioned as resource consultants to their faculty. Many of the principals delegated decision-making authority on the use of resources to the staffs of the mini-schools, thereby placing teachers in the position of having to make educational trade-offs and compromises. Furthermore, because of the proliferation of parent advisory committees, these decisions were made in concert with parents, and this process required new skills and commitment in the area of communicating with parents.

Section I - Problem Areas

It was expected that a demonstration of this magnitude, complexity, and newness would generate problems during its implementation; this expectation was fully realized. In this section we shall try to identify some of the outstanding problems which appeared during the first year and discuss them unflinchingly.

1. Power - The radical decentralization of the district to a group of autonomous independently budgeted decision-making units called mini-schools created some serious problems with regard to decision-making authority. The question was raised repeatedly throughout the year, "Who has the juice?". For example, if the realities of the situation required some modification in the voucher model, who could suggest these changes and who could approve them? Was this the role of the voucher principals, of the Education Voucher Advisory Committee, of the Voucher Administrative Staff, of the Superintendent or the Board?
 - a. Parent Counselors - The function of the parent counselors was to provide parents with objective, unbiased information about the options available to them under the voucher project. This entailed having parent counselors who were accountable to the central voucher staff working in the communities of the individual voucher schools. If a principal disapproved of some of the activities being carried out by the parent counselors, did he have the right to stop those activities or was this the prerogative of the coordinator of the parent counselling unit?
 - b. Evaluation - In a decentralized situation, did each mini-school have the right to determine how its program would be evaluated, or was this the prerogative of central administration? Was the evaluation office of the voucher administration purely a service to the mini-schools providing information to the staff regarding their performance in order to permit them to identify problem areas and improve them, or was there an additional responsibility to the parents in the community which might require some forms of evaluation which were not desired by the individual mini-schools?
 - c. Hiring and Personnel Practices - How did the right of individual schools to make their own decisions co-exist with district personnel policy? Board policy was quite explicit about tenure and transfer rights of teachers. What happened if an individual school or mini-school chose to make decisions that were in conflict with this policy with the justification that they were decentralized?

- d. Negotiations - Who was responsible for carrying out the negotiations between the district and the federal government for the on-going voucher contract? Was it the Superintendent, the Voucher Project Director, the Assistant Superintendent for Business Administration, the Principals as a group, or some combination of parents, teachers and administrators jointly sitting down with OEO staff to hammer out a multi-million dollar contract?

Parent Involvement - How could parent involvement be mandated if schools were truly decentralized? For example, would it not be more interesting to allow various schools to try different levels of parent involvement and let the market place determine whether the extent of parent involvement was significant in the choices which parents made?

- e. Role of Central Staff - As described earlier, the district had moved to a line and staff structure in which Assistant Superintendents relinquished the bulk of their line authority and assumed an advisory and consultant role to both the Superintendent and the Principals. What happened if a central staff member's advice was ignored and a principal made decisions that were clearly in violation of either board policy, state law, or the conditions of a contract?

Role of Sequoia Institute - What was the role and function of the Central Voucher Administration? Did the project director have line authority with regard to contract issues or was he simply a consultant to the principals?

- f. Meaning of Autonomy - What does the term autonomy mean? Does it mean that each school has the right to function as a separate school district or that each school is independent to make decisions in certain areas, but not others.

Many of these issues ultimately reduced to the single question of whether the Alum Rock voucher model was a regulated or unregulated market system. In economic terms was this a 19th century model of free enterprise with vigorous entrepreneurs untrammelled by rules and regulations, or was it a regulated free enterprise model where extensive areas of autonomy and decision-making were open but within a certain set of rules and regulations. In many cases the frustrations of the principals were similar to the frustrations of rugged individualist entrepreneurs faced with the limitation on freedom of action imposed by a modern, complex, regulated economy. As with many

other aspects of the implementation of the voucher project these questions and their definitive answers had not been carefully worked out in advance. The model was an evolutionary one in which problems would arise and hopefully be resolved by discussion and negotiation in the course of the year. However, this resolution was complicated by the frustrations emerging from thwarted expectations on the part of some of the principals. As the year progressed it became quite clear that the individual schools and mini-schools were bound to operate within board policy, and that when questions arose the line authority of the superintendent and the Board of Trustees was still intact. Enormous new areas of autonomous decision-making had indeed been opened up to the individual principal and schools, particularly in the areas of curriculum, purchasing, staffing patterns, budget making allocation of funds, and decision-making. On the other hand, such areas as hiring outside teachers, transferring teachers, some forms of evaluation, providing parents with information about voucher options, placement of pupils in their preferred programs, as well as other areas prescribed by state code or board policy were not at the discretion of the individual schools and principals.

- g. Federal Power - Another very different issue relating to power arose with regard to certain areas of federal control. The Office of Economic Opportunity had encouraged the district to set up a decentralized voucher system in which the central staff would not exercise its power to make judgments regarding the wisdom of expenditures. Presumably, the experiment was directed at exploring a new kind of control, that of the parents who would carefully monitor the kinds of expenditures that mini-schools were making with the funds which their children had brought. Obviously, this was a difficult act of self-restraint for many central staff members, especially in certain circumstances. Nevertheless, the Office of Economic Opportunity was not able to relinquish its power to approve or disapprove any expenditures of federal funds in excess of \$500 or its right to approve or disapprove any contracts which would be paid for by federal funds prior to the payment of such funds. This put the district administrators in a rather awkward situation of giving up their authority to make judgments about the wisdom of certain expenses and yet seeing that authority being maintained by the federal authorities who, in general, were not nearly so experienced in educational matters as were the district administrators. It should be noted that the federal administrators used exceptional restraint in exercising these judgments, and their interference was very minimal.

However, the very existence of the requirement of federal approval for many expenditures was irritating and, at times, a threat to the market mechanism that the entire demonstration was attempting to explore. An experiment could not be administered in the same way as a title program. If a true experiment were to be done, federal grant administrators would have to accept the possibility that some unwise expenditures might be made using federal funds and accept this as a price which might have to be paid in order for the federal government to conduct social experiments.

In general, the problems of power and authority in a decentralized system were serious and on-going throughout the year. It is expected that a clear definition and delineation of areas of decentralized authority will alleviate some of the frustrations which occurred in this regard during the first year of the experiment.

2. Technical Systems - Another area where the project had problems during the first year was in the area of the development of technical support systems for the voucher process. In particular, the mechanics of developing an information system which would allow a child's dollars to follow him even through a series of transfers, was a sizable task. In its original planning, OEO had envisioned a separate contractor who would be charged with developing these systems, but as the Alum Rock project took shape, this aspect of OEO's plans was altered. Consequently, there was no provision from outside the district, nor was there the expertise within the district to develop the complex technical systems which would be necessary to allow dollars to follow children. The inability to provide principals and mini-schools with financial statements showing the voucher income to which they were entitled as well as the expenditures which they had incurred was one of the most serious setbacks to the project during its first year of operation. Furthermore, in order for the Rand Corporation to carry out its complex evaluation, the need for a computerized data base was clear. However, the district had never developed such a data base, and consequently, in addition to the many new problems and procedures involved with implementing a voucher system, the district had to set up and make operational a computerized attendance system. The goal was to set up an operational computerized attendance system and feed the output of this system into a budgeting procedure which would translate the attendance figures for each mini-school into income figures for that mini-school's income budget. Yet, there was no one who was in the district and accountable to either the superintendent, the assistant superintendent for business affairs, or the voucher project director who had the technical expertise to establish such a system. The result of this oversight

was a tremendous rejection of the additional workload at the building level because of the establishment of the computerized attendance system, as well as an enormous frustration because of the impossible situation of trying to operate a school or mini-school within a balanced budget without being provided with the fundamental, basic information regarding the income that was available to be spent. Furthermore, the procedures for placing pupils in programs were very primitive and cumbersome. Vouchers were received and processed by hand; consequently, a number of errors occurred, and the turn-around time was rather slow. The simple and basic problem of determining the size of the basic voucher, as well as the details of daily rates for central services, teacher's salaries, compensatory voucher size, and central office expense assessments had to be performed by the business office which was not staffed to cope with problems of this magnitude. In the course of the year, it became clear that there was a pressing need for a technical systems development coordinator who would be responsible to the project director for the development of these systems. The new contract negotiated between the district and OEO made provisions for this position, and it is expected that these problems will not recur. Nevertheless, the omission of this position in the initial year of the demonstration was a serious error.

3. Human Systems - As stated previously, resources were provided to the district by OEO not only for solving the technical problems, but also for addressing the human problems and developing the interpersonal skills that would be necessary if the project was to succeed. The additional workload on everyone associated with the voucher project during the first year was enormous. Central administrators, principals, teachers, and voucher staff found that their workloads were increased significantly, and that at certain times of the year they were virtually exhausted. For example, principals had to do most of the tasks which they had carried out in previous years; in addition they had to attend frequent meetings at the central office to discuss overall voucher issues, meet with several individual mini-school staffs, be responsible for a significantly increased level of discretionary expenditures, and develop new modes of administering their decentralized schools. Teachers had to spend the same number of hours in class, but in addition they also had to plan new programs, purchase new materials, establish their own budgets, and maintain a greater awareness of the feelings of the community in regard to their programs. The central staff had to operate a district in which 75% of the schools were operating in the same manner and with the same problems as in previous years. In addition to this normal load they also had to develop procedures and cope with the entirely new set of problems that were generated by the voucher demonstration. Furthermore, the new roles that were suddenly thrust upon teachers, principals and central

staff members challenged the flexibility and adaptability of all concerned. The role of HRC in coping with these human problems was very significant. The creation of an environment where people felt more free to express their feelings, communicate directly, disagree with each other openly, make observations to each other on the effectiveness of their own groups functioning, and finally, to trust each other more prevented the strains which were created in the system from becoming unmanageable.

4. Hybrid District - In order to protect the district against possible disruptions from unforeseen consequences of the voucher experiment, only six out of the district's 24 schools participated during the first year. It was hoped that this rather small group might allow problems to be handled more easily, but this proved to be a serious miscalculation. Many of the most serious problems which threatened the project were those which arose from the fact that the district had two sets of schools which were operating under different sets of rules. For example, the district had to develop two kinds of purchasing procedures, for voucher schools and non-voucher schools, respectively; two types of budgeting procedures; personnel procedures which did not give voucher schools with their additional funds unfair advantage over non-voucher schools; two sets of procedures for delivering the services of psychologists and curriculum coordinators, as well as a host of other dual systems. The maintenance of these dual systems required an artificially high level of administrative costs in order to operate the project. In retrospect, it would probably have been a simpler process to implement the demonstration district-wide.
5. Mini-School Structure - In response to the challenge of attracting parents, each of the six voucher schools developed three or four mini-schools. These small units generated considerable enthusiasm among the teachers and a sense of "ownership" and control over their respective programs. However, these small units also posed serious problems in such areas as loading and age-grouping. For example, in a small mini-school mixed-grade groupings were virtually inevitable because there were not enough pupils to provide one class at each grade level.

Furthermore, the problem of maintaining reasonable class sizes was aggravated. For example, if we assume that a class size of thirty is desirable, then a school with 600 children can comfortably break up into twenty classes. If twenty more students appear, each classroom can accommodate a single extra child without serious consequences. If ten more children appear, a new class can be formed and, after some rearrangements, a class size of thirty will be re-established. However, in a mini-school with only six teachers, the class load must increase to thirty-five per class before there are enough students to warrant hiring an additional

teacher and thereby getting back to the desired level of thirty per classroom. The strain and frustration of the large class sizes which had to be maintained because of this effect led to the demand for setting a cutoff deadline after which programs could set a capacity and close their enrollment when that level was reached.

6. Other Compensatory Programs - The voucher experiment was carefully designed to give each participating school the same income structure (basic plus compensatory voucher income). Fortunately, the six pilot voucher schools during the first year were not receiving compensatory funds from Title I, so the experimental design was maintained. However, the expansion of the project to include Title I schools plus the advent of new state legislation (SB-90) authorizing additional state compensatory funds posed serious problems to the evaluation of the experiment. First of all, SB-90 and Title I funds were awarded to schools and hence could not follow the child; consequently, the impact of the voucher mechanism would be diluted by the effect of guaranteed resources. Furthermore, the resources available to different schools could vary significantly, and this too would blur the evaluation of what results could be attributed to vouchers. In addition, schools receiving money from all three programs could receive more than \$600 per child in compensatory funding, and this high level of support would also make it difficult to attribute any potential successes of the project to vouchers rather than enrichment. Finally, maintaining separate books for each program and complying with multiple sets of guidelines and requirements would harass the building administrator and restrict the free-wheeling responsiveness that the voucher project was designed to foster.

Ideally, the solution would have been to obtain permission from the Federal and State Departments of Education to pool the compensatory money from all three sources, voucherize it, and report to all three agencies on its use. However, this approach was not possible in the short time-span that was available. The main problems were the federal comparability requirements for Title I funds, and the different eligibility requirements of free lunch, AFDC, and educationally disadvantaged for compensatory vouchers, Title I, and SB-90, respectively.

The solution to these problems for the 1973-74 academic year were not satisfactory, but some pitfalls were avoided. The California State Department of Education was extremely cooperative and flexible in granting waivers for the use of SB-90 funds. The principle effect of these waivers was to permit the district to include compensatory voucher funds in computing the minimum allocation of \$330 per eligible child required for all schools receiving SB-90 or Title I funds; this avoided the problem of excess

enrichment described above and assured that all schools, both voucher and non-voucher, would receive compensatory funding of the same order of magnitude. Some variation still persisted, but its magnitude was not significant. The full details of the district's final allocation of compensatory funds is described in Appendix G as "Plan G". It is strongly recommended that the appropriate agencies at the State and Federal levels take steps to allow a commingling of compensatory funds during the 1974-75 school year to re-establish a carefully controlled funding structure to permit a better evaluation of the impact of the voucher mechanism.

7. Extra Costs of Operating the Voucher Demonstration - The Alum Rock Voucher demonstration has been an expensive undertaking; fortunately, many (but not all) of the additional expenses are transient start-up costs which inevitably accompany new ventures. When an automobile company develops a new model, the budget for building the first prototype is frequently in six figures. It is difficult to imagine what automobiles would be like today if manufacturers had been required to develop new models at the same unit cost as their production models. It is widely understood and accepted that this cost does not represent the ultimate market price of the model when it comes off the assembly line. However, in the area of education, it is frequently expected that new innovations should operate at the same cost levels as ongoing programs. This expectation is unrealistic and in many cases reflects an indirect or subconscious effort on the part of the society to stifle change and maintain the status quo. Consequently, no defensive apologies will be offered for the high start-up costs of this project. Instead, this section will attempt to discuss these costs and identify their projected duration.
 - a. Hybrid System - The fact that only part of the ARUSD was in the voucher project required the development of two sets of procedures for the voucher and non-voucher schools, respectively. This dual system created additional central administrative costs.
 - b. Building Administration - The computerized system of attendance and pupil tracing for the sake of the project's evaluation imposed additional demands on the administrators and clerical staffs at each building. In addition, the increased level of decentralized funding imposed an extra workload on the building administrators and their staffs. The demand for principals to learn new managerial skills and supervise multiple programs while participating actively in the design of the voucher model led to the need for assistant principals to help carry the workload.

- c. Re-education of Parents, Teachers, and Administrators - A team of parent counselors had to be hired to introduce parents to the rules of the voucher system and explain their options under it. In addition HRC was hired to teach new skills and attitudes to the district's professional staff. These efforts to re-educate were expensive.
- d. Inservice - Resources had to be provided to allow teachers to plan and develop new programs.
- e. Evaluation - Resources had to be provided to gather objective data on program performance to allow parents to make well-informed choices.
- f. Systems Development - Resources were needed to develop systems for tracing pupils, allowing dollars to follow children, and generating income/outgo budgets.
- g. Public Information - Because of the national interest in the project, resources were needed to allow the district to respond to a deluge of visitors and requests for information.
- h. Transportation - Resources were necessary to provide transportation to allow all children to attend the programs of their choice.
- i. Compensatory Vouchers - A full half of the district's grant went directly to the classroom in the form of compensatory vouchers. It should be noted that the level of this funding, on a per-pupil basis, was significantly lower than that of other federal and state compensatory programs.
- j. Reserves - Additional resources were required to establish reserves to protect the district and its taxpayers from bearing the possible extra costs of teachers, psychologists, and coordinators who might be displaced or underutilized because of the voucher demonstration.
- k. Identification of Transient and Permanent Costs - In an ongoing voucher system encompassing an entire district many of the costs which have just been described should phase out. In particular, the following costs should either disappear completely or else be significantly reduced:
 - (i) costs of operating a dual system
 - (ii) incremental costs of central administration
 - (iii) incremental costs of building administration
 - (iv) re-education costs
 - (v) special inservice for teachers

- (vi) systems development costs
- (vii) public information costs

Furthermore, the special funds for compensatory vouchers could be replaced by the normal compensatory funding which the district received. As the district absorbed the voucher structure into its regular operations, most of the central voucher administrators would be phased out; there would be no need for a voucher project director; parent information activities could be managed by the district's office of community relations; information dissemination to the rest of the country would be eliminated, and there would be no further need for a systems development office since the necessary systems would already be in place.

However, there would be an ongoing need for some form (perhaps much reduced) of parent information effort, and the maintenance of an evaluation procedure. Without these services, parents would not be assured of having independent, objective information about all the options which were available. Finally, there would be an ongoing need to maintain additional transportation costs in order to assure students of access to their preferred programs. Unfortunately, a final judgment on whether these ongoing extra costs are justified must be delayed until the consequences and results of the voucher program are evaluated. Only then can the benefits be weighed against the costs and a sound decision made.

J. Balance Sheet -- Successes and Failures

During its first year, the nation's first voucher system achieved several of its objectives, but was unsuccessful in others. In this section a brief summary of both the successes and failures (to date) will be presented.

1. Successes

- a. Administrative Feasibility - In spite of predictions to the contrary, the survival and growth of the project during its first year demonstrates that a voucher system is administratively feasible.
- b. Market Mechanism - For the first time in American public education, a functional market mechanism was established in which the producers of education were dependent upon the choice of the consumers to provide the resources to maintain their programs.
- c. Diversity - In response to these market forces, a significant array of diverse alternative programs was offered to the participating children and their parents.
- d. Teacher Creativity - Ordinary classroom teachers demonstrated that they had the capacity to conceive and develop a variety of educational programs in order to attract parents and children.
- e. Decentralization - A significant amount of decision-making moved from the central office to the schools, and within the schools many of these decisions were made by the teachers. In particular, many decisions relating to curriculum and allocation of school budget were made at the mini-school level.
- f. Parent Information - A majority of the participating parents understood the broad outlines of the voucher concept and the rights which they had under it.
- g. Evaluation - Each mini-school was evaluated, and the results of these evaluations were provided to all parents. While the evaluation reports of the first year's activities did not include information on academic growth, a firm commitment was made to provide such information to parents at the end of the second year.
- h. Parent Satisfaction - Surveys of parents in the project revealed a very high level of parent satisfaction with the voucher project and the mini-schools.

- i. Expansion - In spite of some of the problems which developed during the first year, seven new schools chose to enter the project by overwhelming majority votes of their faculties.
 - j. Outside Schools - The first steps were taken towards allowing an outside group of educators to offer a mini-school under contract to the school district.
 - k. Variable Capacity - Mini-schools expanded and contracted; and teachers shifted programs in response to parent choice patterns.
 - l. Federal/Local Cooperation - An extraordinary level of cooperation and flexibility developed between a federal agency (OEO-NIE) and a local school district (ARUSD) for the purpose of implementing a complex, educational demonstration.
 - m. No More Voucher Pariahs - The realities of the Alum Rock voucher demonstration changed the attitude of many educators from hostility towards curiosity and interest. In the course of one year of operations, vouchers had become a respectable topic for educators to discuss, rather than a crackpot threat to public education in America.
2. Failures
- a. Technical - The absence of a functional information system to convert attendance figures into variable income budgets and provide these to program managers was a serious flaw in the project's functioning during its first year. The absence of updated income figures made it nearly impossible for programs to develop responsible expenditure budgets.
 - b. EVAC - The Educational Voucher Advisory Committee (EVAC) never developed a viable, meaningful role during the first year.
 - c. Movement of Children - Very few (approximately 100) children exercised their right to attend a non-neighborhood school. Parents exercised their choice vigorously within their neighborhood school, but relatively few changed schools.
 - d. Satellites - No programs expanded beyond their school of origin, and consequently no cross-management developed during the first year.

- e. Evaluation - No hard performance data was provided to parents to help them to make decisions about program choices for the second year.
- f. Parent Participation - While parent participation in school decision-making processes increased moderately, there were only sporadic cases in which parents utilized the economic power of their vouchers to pressure the schools to change.

K. Overview-Broad Philosophical Observations

In conclusion it seems appropriate to step back from all the details and consider the broader social, educational, and philosophical conclusions which can be drawn from the first year of the Alum Rock voucher demonstration.

1. Expectations - Both voucher advocates and opponents had predicted dramatic sweeping changes if the power of the purse was given to parents through a voucher mechanism; both were wrong. The system did not sink into a pit of administrative chaos, segregated schools, and brutal competition; on the other hand, parents did not use their new economic power to force the schools to make profound changes. Vouchers emerged as a tool which parents could use in case of extreme dissatisfaction; furthermore, educators could ignore the feelings of their communities only at their own peril, and consequently many of the changes which did occur were initiated by the professional educators in an effort to avoid the consequences of dissatisfied parents. However, most parents simply exercised their choice, within their neighborhood school, and then sat back and watched -- perhaps a bit more closely than before.

This behavior suggests a striking analogy to the democratic system of government in this country. People who expect that voters will be active, knowledgeable, and wise in choosing the best candidate for the job are frequently disappointed. However, the function of the vote is not to guarantee that the best man will win, but rather to assure that there is an orderly mechanism to "throw the rascals out" if the incumbents become too excessive in abusing their power. In short, the vote is a check against excessively bad government rather than a vehicle to assure excellent government. Similarly, vouchers provide an enormously powerful tool for parents to re-create their schools. However, it is likely that they will utilize this power only if the schools perform so badly and/or insensitively that parents become outraged enough to seek redress of their grievances. Short of such a crisis, vouchers will provide a safety valve for dissatisfied parents to find or create a satisfactory educational situation for their children without having to disrupt or change the entire system.

2. Economic Models - If one asks the question, "What is the economic model that best describes the system of providing educational services in the United States?", the answer would have to be that the system of public education is highly Socialistic. Educational systems are large, centralized,

bureaucratic, and uniform; centralized decisions are usually made by a small governing board, and these decisions are binding on all participants. On the other hand, a voucher system of allocating resources is really a market system in which professional educators take the role of producers, and parents and children are consumers. In view of these observations, it is useful to consider the strengths and weaknesses of market systems in contrast to Socialistic systems in order to gain a better perspective on vouchers.

In general, Socialist systems are unimaginative in the sense that their centralized controls tend to impose uniformity and discourage initiative and experimentation. On the other hand, such systems are reasonably effective in establishing and guaranteeing certain minimal levels of performance. In short, Socialist systems tend to provide solid protection from downside risk, but they also minimize upside potential. Market systems, on the other hand, present greater downside risk, but also offer greater upside potential. New ideas or products can be offered without the approval of a powerful, centralized authority. Rather, such innovations can simply be offered to the market place by any producer with the initiative to do so, and the success of the venture will depend on its ability to meet the needs of consumers. Such a system carries with it the risk that inferior products may be offered, and gullible consumers may be "conned" into buying them. On the other hand, it increases the possibility that excellent new goods or ideas may be offered to the public for its approval. Consequently, if the state-of-the-art in some area of human endeavor is sufficiently developed to meet the demands of the society, a cogent argument can be made that the service should be provided to the Society in a way that minimizes downside risk, even if this implies that there is little chance for further improvement. However, if the state of knowledge is incomplete, and the level of service is consequently unsatisfactory, a system which encourages further development may be preferable even if it implies that some consumers may receive a lower level of service than the society is currently capable of providing.

If these broad generalizations are valid, then taking a position regarding the merits of a voucher system of education should be preceded by an examination of the pedagogical "state-of-the-art". If one believes that our understanding of learning and pedagogy is rather well developed, then a good case can be made for opposing

vouchers. If, on the other hand, one believes that our understanding of learning and pedagogy is inadequate, then a compelling case can be made for a voucher system.

3. Change Processes - The process of trying to change any system -- human or inanimate -- usually follows a general pattern of steps:
 - a. Identification of problems and shortcomings - The motivation for trying to change a system is usually an awareness that the system has some problems and shortcomings; subsequent efforts to bring about change can then be directed towards improving the outcomes in these areas.
 - b. Analysis of Dynamics - The dynamics -- or forces and pressures within the system -- are identified, and the interplay of these forces is then examined to isolate the cause of the malfunction.
 - c. Corrective Measures - Efforts are made to modify the dynamics of the system so that the new set of forces will produce an outcome that is free of the previous problems.
 - d. Why this Procedure Frequently Fails - Basically, the functioning of a system depends not only on its dynamics, but also on its "inertia". For example, if we see a photograph of a ball in the air ten feet above the ground, we understand the dynamics of the system quite well; gravity is pulling the ball in a downward, vertical direction. However, given this knowledge of the dynamics of the system, it is impossible to predict where the ball will land because the photograph gives no indication of whether the ball had been thrown upward, horizontally, or downward, or just dropped. In this example, if we wish to assure the outcome that the ball will land in a specific area, we cannot change the dynamics of the system because gravity is beyond our control; instead, we must try to control the initial state (velocity) of the ball so that the forces acting on it will change its motion in such a way that the desired outcome will be achieved.

In social systems we have a similar problem; even if the dynamics of a system are correctly analyzed and the forces are accurately identified, simply changing the dynamics is not enough. The initial state, or "inertia", of the system must also be identified and changed in order for the new dynamics to have their desired effect.

A voucher system introduces a new form of dynamics into the complex process of allocating educational dollars. From a purely experimental standpoint, it would be very interesting to impose the new set of rules (dynamics) and observe the response. However, the way the system responds depends not only on the dynamics but also on its "state" when the dynamics begin to operate. For a school system, this initial "state" would include a set of attitudes and procedures - a culture that had been developed over a period of many years, and the dynamics of a voucher system could produce widely divergent results depending on the state of the "culture" at the time when the new system was introduced.

The Alum Rock Voucher Demonstration was quite unique in recognizing the importance of providing resources to modify the district's "culture", both before and during the experiment, in order to improve the probability of a successful outcome. This revised set of attitudes was the precondition on which the dynamics of vouchers operated in Alum Rock, and without this groundwork the outcome of the project would probably have been very different.