



PROGRAM ON EDUCATION POLICY AND GOVERNANCE



A joint program of the Taubman Center for State and Local Government, Kennedy School of Government, and the Center for American Political Studies, Department of Government, Harvard University

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Pathbreaking School Choice Study Launched in NYC

Harvard's Program on Education Policy and Governance (PEPG) will play a leading role in one of the most comprehensive evaluations of a school choice program ever conducted. The study will examine the impact of New York City's new School Choice Scholarships Foundation (SCSF) program, which will provide funds to help over 1,300 low-income public school students pay the cost of private school tuition for three years.

Few educational proposals have provoked more heated debate than school choice programs like SCSF. But a key question in these debates—what happens to student achievement when families can choose among different kinds of schools—remains unresolved. Though other interesting

research is underway (*see pages 3-5 of this report*), only a rigorously conducted "randomized experiment" can sort out the impact of school choice on student achievement.

Enter SCSF. With more than 20,000 applicants for the \$1,400 scholarships, SCSF held a lottery to select scholarship winners. The lottery will give researchers a rare opportunity to study how school choice affects students. Since SCSF chose scholarship winners randomly, subsequent differences between their achievement and that of applicants not selected can be attributed to participation in the scholarship program. *continued on page one*

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Path-breaking School Choice continued from page one

In addition to exploring the effects of school choice on achievement, the study will also examine which students benefit most and what types of families participate. Researchers, led by Mathematica Policy Research's David Myers and Harvard's Paul E. Peterson, will analyze both standardized test results and surveys of parents and families. Beginning in December 1997, the research team will release annual reports on the progress of SCSF. ♦

The evaluation is supported by funds from the Lynde and Harry Bradley, Donnor, Milton and Rose Friedman, David and Lucile Packard, and Smith Richardson Foundations.



New York City Scholarship Winners Celebrate

PROGRAM STAFF

Paul E. Peterson, *Director*

Richard Light, *Professor of Education, Harvard University*

Tom Loveless, *Associate Professor of Public Policy, Harvard University*

Caroline Minter Hoxby, *Assistant Professor of Economics, Harvard University*

Jay Greene, *Assistant Professor of Political Science, University of Texas at Austin*

Donald Rubin, *Professor of Statistics, Harvard University*

Christopher Jencks, *Professor of Public Policy, Harvard University*

Susan Mayer, *Associate Professor, University of Chicago*

Bryan Hassel, *Research Associate*

Michelle Franz, *Program Assistant*

A Message from the Director

Introducing the Program On Educational Policy and Governance



Paul E. Peterson

Two years ago, Harvard University announced the formation of the Program on Educational Policy and Governance (PEPG), jointly sponsored by the Taubman Center on State and Local Government at the Kennedy School and the Center for American Political Studies in the Department of Government. As debate raged across the country about how to educate America's children, the time seemed ripe to bring together scholars from diverse disciplinary perspectives to examine issues of education policy and governance.

Our first activity, a series of seminars culminating in a major conference in September 1996 (see page 7), explored one of the nation's most hotly contested issues: the causes and consequences of inequality in America. Working in conjunction with the University

of Chicago, PEPG provided the chance for scholars from the fields of economics, government, sociology, education, and public policy to bring their research to bear on this timely topic.

Questions of educational governance—who should make the central decisions about the schooling of our children—have moved to the top of the political agenda at all levels of government. More than half the states have established charter school programs. Many school boards are asking private contractors to assume educational responsibilities. A few large cities are experimenting with scholarship programs to enable low-income children to attend private schools.

In response to these developments, PEPG has sponsored numerous research projects on school governance and hosted a conference entitled "Rethinking School Governance" in June 1997.

Everyone is invited to take a closer look at this work by sampling our growing menu of publications. You will find the full list, along with information on how to order, on the last page of this report. I wish to thank Bryan Hassel for his assistance in preparing this report. ♦

Paul E. Peterson

Director, Program on Educational Policy and Governance
Harvard University

Questions of educational governance—who should make the central decisions about the schooling of our children—have moved to the top of the political agenda...

Rethinking School Governance Conference

In June 1997, PEPG hosted a conference entitled “Rethinking School Governance.” The gathering brought together researchers and practitioners to discuss a wide range of reforms in educational governance from a variety of perspectives. The following is a summary of the conference’s keynote address, given by John E. Brandl, Professor of Public Affairs at the University of Minnesota’s Humphrey Institute.



John E. Brandl

Visions of Governance: Schools and American Government in the New Century

By John E. Brandl

The federal government’s National Assessment of Educational Progress finds that *most* seventeen-year-olds lack basic knowledge of science, government, history, and geography. One-third of our high-school seniors cannot write a persuasive letter. Half of American eleventh graders are studying either pre-high-school math or none at all.

One rejoinder to this sorry litany is that surely we would do better if only we would increase appropriations going to education. Experience and research, however, cast doubt on this proposition. In any case, large increases in real per-pupil educational expenditures are not going to occur: citizens appear unwilling to support big tax increases. If the country’s educational performance is going to improve,

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As currently arranged, education is prone to failure. Almost all state and local education spending goes to districts and schools arranged as “bureaus” which have a territorial monopoly on furnishing free education. They do not bear the discipline of having to meet their costs by selling their products.

There are only two self-disciplining, broadly effective means of carrying out public services in general and education in particular. These are harnessing self-interest through competition and transcending self-interest by encouraging affiliations that inspire other-regarding behavior.

Competition

If people are self-interested, then only competition can systematically harness this self-interest. The efficacy of appropriations, mandates, skilled management, and inspirational leadership will be weak or fleeting in the absence of competition’s systematic alignment of private and public interests.

Community

Within communities, especially families and religious organizations, people ordinarily act in ways that are beneficial to others; they need less inducement, compensation, supervision, and monitoring. Consequently, using communities is a promising policy instrument to attain social objectives when neither bureaus nor markets can be counted upon to do so. Besides producing services, communities nurture and protect us all, cut costs, create social capital, obviate the need for government services and engender civic virtue. We need a constitutional moment, a time when

Within communities, especially families and religious organizations, people ordinarily act in ways that are beneficial to others.

those holding public office reconstruct government to align the motivations of individuals with public purposes. If they do not do so, the grand responsibilities of government, starting with education, will not be met. ♦

The “Rethinking School Governance” Conference was made possible by the support of the John M. Olin Foundation, Inc. and the Harvard Kennedy School of Government’s Project on Visions in Governance. For a full list of papers presented at the conference, please see page 8 of this report.

New Evidence on School Choice

PEPG Study Of Milwaukee Program Reveals Substantial Gains for Low-income Participants

By Paul E. Peterson

The following is adapted from "The Case for Choice," which appeared in the May-June 1997 issue of Harvard Magazine.

Although many studies have found that students learn more in private schools, their findings are not conclusive because the students involved came from tuition-paying families who may be particularly supportive of their children's education.

Recently, my colleagues and I became better able to address this issue because we had access data from an experiment that randomly assigned students to private and public schools in Milwaukee, Wisconsin. The Milwaukee choice program, initiated in 1990, provided a limited number of students from low-income families with scholarships that could be used to pay the tuition of the secular private school of their choice in Milwaukee.

To ensure equal access to the program, the legislature required choice schools, if oversubscribed, to admit applicants at random. The rejected applicants formed a control group which could be compared to those who were admitted. Joined by Jay Greene of the University of Houston and Jiangtao Du of Harvard, I set out to.

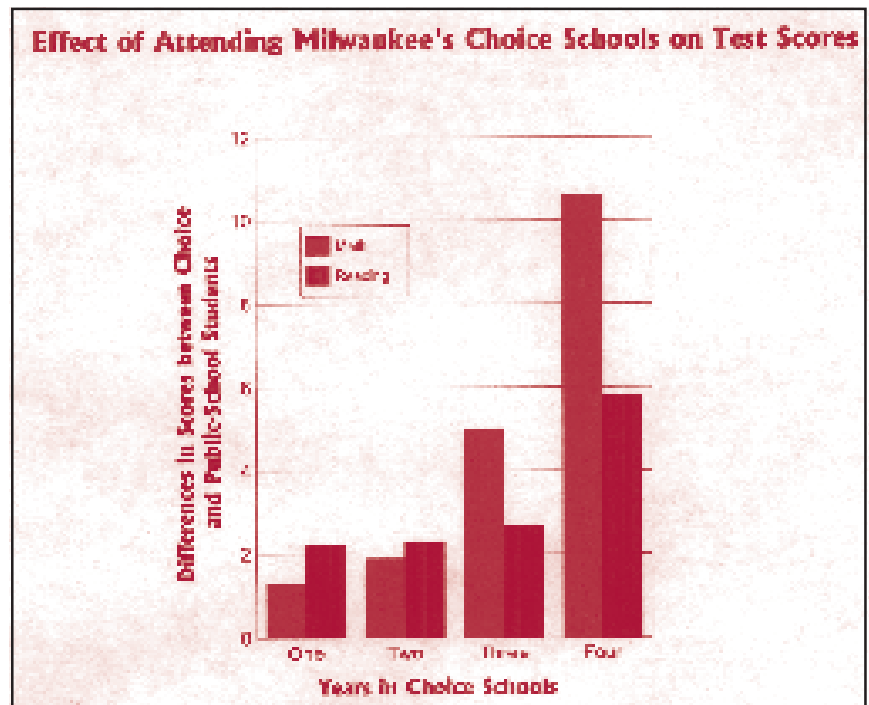
Our study indicates that the effects of choice schools on mathematics achievement were slight for the first two years students were in the program. But after three years of enrollment, students scored 5 percentile points higher than the control group; after four, they scored 10.7 points higher. Differences on the reading test were between 2 and 3 percentile points for the first three years and increased to 5.8 points in the fourth.

If these results can be generalized and extrapolated to twelve years, much of the national difference in the reading performance of whites and minorities could be eliminated. All of the differences in math performance could be erased.

But even if the evidence ultimately supports choice, will we embrace it? Some argue that constitutional questions are overriding. They say that any program that gives families equal access to private schools in the inner city must ultimately include religious schools, a step that violates the establishment clause of the federal constitution. But when families are allowed to choose any school, religious or secular, it can hardly be said that religion is being established. Indeed, to deny families equal access to a school, simply on the grounds that it is guided by religious ideas, would seem to violate the constitutional right to freely exercise one's religion.

As John Stuart Mill put it more than a century ago: "The State should leave to parents to obtain the education [of their children] where and how they please, and content itself with helping to pay the school fees. [If this were done] there would be an end to the difficulties about what the State should teach, and how it should teach, which now convert the subject into a battlefield for sects and parties." ♦

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Caroline M. Hoxby

Public schools can and do respond to competition by improving their schooling and lowering their costs.

Learning From Traditional Forms Of School Choice In The United States

At first view, reforms designed to give families more choice in schooling seem to take elementary and secondary education into wholly unknown territory. But many parents already have the ability to choose among independent school districts (through residential decisions) and to choose private schools. Caroline M. Hoxby of Harvard’s Department of Economics examines the effects of these “traditional” forms of school choice on the quality and cost of public education.

Competition among school districts

One traditional way in which families choose schools is by choosing the school *district* in which they live. But parents in some parts of the country have more school districts to choose from than parents in other areas. Boston, for example, has 70 school districts within a 30-minute commute of downtown. Miami, by contrast, has only one school district covering the entire metropolitan area. Hoxby finds that school districts in areas where parents have more choices exhibit:

- higher reading and math scores and more challenging courses for students
- lower per-pupil costs
- higher levels of parental involvement
- no more segregation along the lines of race, ethnicity, and income.

Competition between public and private schools

Parents also exercise choice by opting for private schools. In some metropolitan areas, as many as 35% of the students attend private schools; in others, virtually no students do. In part, these differences spring from the fact that private schools in different parts of the country have different levels of subsidy available to them. Hoxby finds that if private schools in an area receive sufficient resources to subsidize each student’s tuition by \$1,000:

- math and reading scores for public school students are higher by 8 percentile points than in areas without the subsidy;
- public school students are more likely (by 8%) to graduate from high school and (by 12%) to graduate from college;
- wages later in life for those public school students who work are higher by 12%.

Though we are only beginning to gather conclusive information about the effects of recent school choice experiments, Hoxby’s work reminds us that traditional forms of school choice hold lessons for current policy-makers. Perhaps foremost among these is that when they face the fiscal consequences of families’ choices, public schools can and do respond to competition by improving their schooling and lowering their costs. ♦

Diversity At Harvard

Over the last several decades, the student body of Harvard College has undergone drastic changes. Today, 37% of Harvard students are minorities, compared with just 1% in 1957. As the roles of women in society have changed, so have their expectations about their educations.

Richard Light has launched an ambitious research initiative to examine the effects of these changes. Light and his associates will spend a year interviewing several hundred Harvard students about the consequences of diversity.

Their work will not stop with a pile of survey results. Light’s aim is to help professors understand diversity’s impact on the classroom. He hopes the study will highlight ways faculty can teach differently in a diverse environment, capitalizing on the range of perspectives their students bring to the university.

Light is no newcomer to this approach. Findings from hundreds of interviews in his Harvard Assessment Seminars led to important recommendations for faculty, such as forming more study groups and having students review each other’s work. ♦

Today, 37% of Harvard students are minorities, compared with just 1% in 1957.



Richard Light

Research Notes

Most people seem satisfied with their own schools, but sense that schools elsewhere are failing.

Paradoxical Polls: Public Confidence In Schools

Two decades of polls suggests that Americans' confidence in public schools has declined. Yet the proportion of students who drop out of school has fallen and public spending on education has risen. The public's opinions and its behavior appear out of sync. Tom Loveless explores this paradox in a recent paper. Among his findings:

- People use different standards when responding to polls than when determining their actions. Americans seem to rate their schools based on how far they depart from some ideal. But in real life, people must choose from an array of actual, though imperfect options.
- The public blames “the system” rather than schools for difficulties. Americans point to symptoms of societal or system-wide failure, like drug abuse and violence, as the schools' most pressing problems.
- As in polls on other institutions, like the health care system, most people seem satisfied with their own schools, but sense that schools elsewhere are failing. ♦



Tom Loveless



ClevelandChoiceStudents

Designed To Fail? The Politics Of Charter School Programs

More than half the states now have charter school programs on the books, laws that allow groups of parents and teachers to form new, deregulated public schools. Proponents hope these initiatives will spark system-wide improvement by introducing competition into a monopolistic school system.

But can these programs live up to their promise? Bryan Hassel, a PEPG research associate, asks this question in his recently completed doctoral thesis at the Kennedy School. Hassel's work focuses on the compromises that state legislatures have struck in the process of passing charter school laws. Many states have restricted the number of charter schools that can open given veto power to local school boards over the formation of charter

Only by adopting less compromised laws, can policy-makers expect charter programs to pay off.

schools imposed constraining regulations on the supposedly deregulated schools and created funding formulas that place charter schools at a disadvantage.

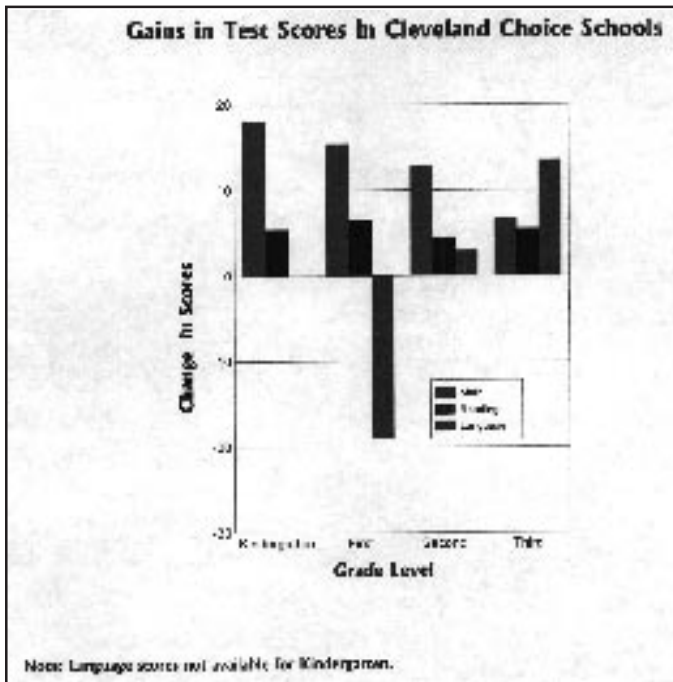
Tracing the effects of these compromises in four states with charter laws, Hassel finds that they have indeed made it difficult for charter school programs to exert their hoped-for system-changing impact. Only by adopting less compromised laws, he argues, can policy-makers expect charter programs to pay off. ♦

Cleveland Choice Study Underway

PEPG is leading a new study of the Cleveland Scholarship and Tutoring Program (CSTP), in which nearly 2,000 students have received scholarships to attend 51 private schools, both religious and secular. Each scholarship covers 90% of the school's tuition, up to \$2,500. In an early report on two new schools established in response to CSTP, PEPG found that in the first year of the program students in two schools (serving 25 percent of the students coming from public schools) made moderate gains in reading and larger gains in mathematics.

The research team, consisting of Jay Greene, William Howell, and Paul Peterson, also surveyed over 2,000 parents—half whose children participated, and half who applied for the program but did not participate. The study found that 63 percent of the Choice parents were “very satisfied” with their schools’ academic quality, compared with 29 percent of public-school parents. Fifty-nine percent of Choice parents, compared with 26 percent of public-school parents, were “very satisfied” with school safety. Choice parents also expressed much more satisfaction with school discipline, attention to their child, parent involvement, and class size.

Though still under litigation in Cleveland, the scholarship program expanded to 3,000 students in the 1997-98 school year. ♦



Note: Language scores not available for Kindergarten.

Conference on Meritocracy and Inequality

In conjunction with the University of Chicago, PEPG convened a Conference on Meritocracy and Inequality in September 1996. The culmination of a year of interdisciplinary seminars featuring some of the most prominent scholars examining these issues, the conference elicited a set of compelling papers that Paul E. Peterson and Susan Meyer have collected into a volume. A summary of one of those papers, by Susan E. Mayer and David Knutson of the University of Chicago's Harris School of Public Policy Studies, appears below.

Does The Timing Of Education Matter?

As a nation, we have shifted our investments toward younger children in the last three decades, enrolling more youth in kindergarten and pre-kindergarten programs than ever before. Does this change in strategy make sense?

Mayer and Knutson employ an innovative technique to examine this question. Their approach rests on this fact: children born in different months of the year start school at different ages. If children are not permitted to enroll in first grade until they are six years old by January 1, children born in February will be nearly a year older than

The benefits associated with early schooling seem to disappear over time for black children, but not white ones.

children born in December when they enter school. If starting school early is beneficial, children born in December should fare better than children born in February.

By comparing the test scores and wages of people born in different quarters of the year, Mayer and Knutson are able to draw conclusions about the effects of enrolling in school early. By their late twenties, men born in the fourth quarter of the year—who tended to start school earlier—earned higher wages than those born in the first quarter. Part of this gain is due to compulsory school laws that require younger children to stay in high school longer. But Mayer and Knutson find that at least a portion of the difference results from early school enrollment.

Mayer and Knutson ask whether these gains in test scores are larger for minority children. The authors find, however, that gains in test scores for black and white students are similar. Further, the benefits associated with early school enrollment seem to disappear over time for black children, but not white ones. ♦

The Conference on Meritocracy and Inequality was made possible by support from the Russell Sage and Rockefeller Foundations. For a full list of papers presented at the conference, please see page 8 of this report.

Program On Education Policy and Governance Occasional Paper Publications List

Papers from Conference on Meritocracy and Inequality:

Orley Ashenfelter and Cecilia Rouse, Princeton University and NBER
"Income, Schooling, and Ability: Evidence from a New Sample of Twins"

John H. Bishop, Cornell University
"Nerd Harassment, Incentives, School Priorities and Learning"

John Cawley, Lance Lochner, James Heckman, and Edward Vytalac, University of Chicago
"Ability, Human Capital and Wages"

Greg J. Duncan and Rachel Dunifon, Northwestern University, and Dave Knutson, University of Chicago
"Vim Will Win: Long-run Effects of Motivation and Other 'Noncognitive' Traits on Success"

Jay R. Grotto, Harvard University and Paul E. Peterson, Harvard University
"Do Hard Courses and Good Grades Enhance Cognitive Skills?"

Robert M. Hauser and Min-Hsiung Huang, Department of Sociology, Center for Demography and Ecology, The University of Wisconsin at Madison
"Verbal Ability and Socioeconomic Success: A Trend Analysis"

Caroline Minter Hoxby, Harvard University
"When Parents Can Choose, What Do They Choose? The Effects of Greater School Choice on Curriculum"

Christopher Jencks, John F. Kennedy School of Government, Harvard University and Meredith Phillips, Department of Sociology, Northwestern University
"Does Learning Pay Off in the Job Market?"

Susan E. Mayer, Harvard University and David Knutson, Harris School, University of Chicago
"Early Education versus More Education: Does the Timing of Education Matter?"

Robert H. Meyer, Irving B. Harris School of Public Policy Studies, University of Chicago
"Applied versus Traditional Mathematics: New Evidence on the Production of High School Mathematics Skills"

Frederick Mosteller, Harvard University
"How Does Class Size Relate to Achievement in Schools?"

Richard Murnane, John B. Willett, M. Jay Braatz, and Yves Duhaldeborde, Harvard University Graduate School of Education
"What Skills are Rewarded in the Labor Market? Does the Answer Change as Males Gain Work Experience?"

Christopher Winship, Harvard University and Sanders Korenman, Baruch College and NBER
"The Contribution of Additional Years of Formal Schooling to Measured Intelligence"

Papers from Rethinking School Governance Conference:

David J. Armor, George Mason University and Brett M. Peiser, Partnerships in Learning
"Competition in Education: Interdistrict Choice in Massachusetts"

John E. Brandl, The Humphrey Institute of Public Affairs, University of Minnesota
"Visions of Governance: Schools and American Government in the New Century"

John Chubb, The Edison Project
"Lessons In School Reform From The Edison Project"

Andrew J. Coulson, Independent Scholar
"Forgotten Wisdom: The Historical Case for a Free Educational Market"

Carol D'Amico, Hudson Institute
"Evidence from the Indianapolis Scholarship Program"

Stephen G. Gilles, Quinnipiac College School of Law
"Why Parents May and Should Choose: Arguments from Law, Theory and Policy"

Kenneth Godwin, Frank Demerer, and Valerie Martinez, University of North Texas
"Educational Outcomes and Educational Equity: Lessons from San Antonio's Choice Programs"

Jay P. Greene, University of Texas at Austin
"Democratic Values in Public and Private Schools"

Frederick Hess, University of Virginia
"Initiation Without Implementation: Policy Churn and the Plight of Urban School Reform"

Bryan C. Hassel, Harvard University
"Beyond the Schools: The Charter Idea's Potential for Impact on Public Education"

Brunno V. Manno, The Hudson Institute
"What Do We Know About Charter Schools? Accomplishments, Dilemmas, and How They're Helping Us Reinvent American Public Education"

Joseph P. Viteritti, New York University
"State Constitutions and School Choice"

Sammis B. White, University of Wisconsin at Milwaukee
"Milwaukee's Partners Advancing Values in Education"

Other Occasional Papers:

Jay P. Greene, University of Texas at Austin and Paul E. Peterson, Harvard University, and Jiangtao Du, Harvard University, with Leesa Boeger and Curtis L. Frazier, University of Houston
"The Effectiveness of School Choice in Milwaukee: A Secondary Analysis of Data from the Program's Evaluation"

Jay P. Greene, University of Texas at Austin and Paul E. Peterson, Harvard University
"Methodological Issues in Evaluation Research: The Milwaukee School Choice Plan"

Paul E. Peterson, Harvard University and Jay P. Greene, University of Texas at Austin and William Hovell, Stanford University
"An Evaluation of the Cleveland School Scholarship Program"

Paul E. Peterson, Harvard University and Chad Noyes, Harvard University
"Under Extreme Duress, School Choice Success"

Order Information: Program on Education Policy and Governance, Dept. of Government, Harvard University, 225 Littauer Center, Cambridge, MA 02138. Phone: (617) 495-7976, Fax: (617) 496-4428. Email: caps@hdc.harvard.edu. Papers \$5.00, orders for 3 or more papers, \$3.50 each. Papers also available at the following websites: <http://data.fas.harvard.edu/pepg> or <http://data.fas.harvard.edu/caps>.

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Center for American Political Studies
Harvard University, Dept. of Government
225 Littauer Center
Cambridge, MA 02138

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