



Program on Education Policy *and* Governance

HARVARD UNIVERSITY



ANNUAL REPORT 2001

Program on Education Policy and Governance

Program Staff

Paul E. Peterson, Director

Antonio Wendland, Associate Director

David E. Campbell, Program Fellow

Martin R. West, Program Fellow

Carol D. Peterson, Managing Editor, *Education Insight*

Research Affiliates

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

Frederick Hess, *Assistant Professor of Education and Government, University of Virginia*

William Howell, *Assistant Professor of Political Science, University of Wisconsin*

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

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

Richard Light, *Professor of Education, Harvard University*

Donald Rubin, *Professor of Statistics, Harvard University*

Patrick Wolf, *Assistant Professor, School of Public Policy, Georgetown University*

Project Donors and Contributors

Achelis Foundation

BASIC Fund Scholarship Foundation

Bodman Foundation

State of Florida, Department of Education

Lynde and Harry Bradley Foundation

Annie E. Casey Foundation

The Thomas B. Fordham Foundation

Milton and Rose Friedman Foundation

Gordon and Llura Gund Foundation

John M. Olin Foundation, Inc.

David and Lucille Packard Foundation

Smith-Richardson Foundation

Spencer Foundation

The Walton Family Foundation

Program on Education Policy and Governance (PEPG)

Kennedy School of Government

Harvard University, Room T-308

79 John F. Kennedy Street

Cambridge, MA 02138

Phone: (617) 495-7976

Fax: (617) 496-4428

Email: pepg_administrator@ksg.harvard.edu

Web: <http://www.ksg.harvard.edu/pepg/>

THE PROGRAM ON EDUCATION POLICY AND GOVERNANCE (PEPG) undertook a major new initiative during the past year—the launch of a quarterly journal, *Education Next: A Journal of Opinion and Research*. The journal provides an independent voice on questions of educational policy and governance free of institutional constraints that often restrict frank discussion. In the words of the journal’s mission statement: “Bold change is needed in American K–12 education. But *Education Next* partakes of no program, campaign, or ideology. It goes where the evidence points.”



Paul E. Peterson, Director

The first issue, appearing in the spring of 2001, was celebrated at the Willard Hotel in Washington, D. C., in February 2001 by panel discussions of President Bush’s two major reform proposals—creation of statewide systems of testing and accountability and opening choices to low-income families attending failing schools. At a luncheon following the panels, First Lady Laura Bush spoke movingly about her own commitment to teaching, promising to continue to work in classrooms during her White House years. She was introduced by Lisa Graham Keegan, the Arizona school superintendent, who has sparked a wide variety of educational innovations in her state.

PEPG continued its evaluations of school voucher programs. In a study of privately funded voucher programs in New York City, Washington, D. C., and Dayton, Ohio, it found that the test-score performance of African-American students attending private schools was substantially higher than that of the control group remaining in public schools. However, it found no test-score differences for students from other ethnic backgrounds.

PEPG also conducted a study in Florida of the impact of school vouchers on public schools. The program provides vouchers for students attending schools receiving failing grades two years in a row. According to Jay Greene’s research, students at schools that received a failing grade in the first year did much better the next year than students at schools that barely missed receiving a failing grade. Apparently, public schools can improve, when challenged.

There is more. PEPG held two major conferences, sponsored the publication of several books, and conducted other research projects. Results from other research projects are reported in the following pages. Many scholars have contributed to PEPG’s work. However, we wish to express particular thanks to two graduate students, David Campbell and Martin West, who have made major contributions, and to Antonio Wendland, who has provided strong administrative direction. We thank our sponsors for their continuing support.

First Lady Speaks at *Education Next* Forum /2

Study of Voucher Programs in Three Cities Show Gains for Blacks /4

Parents Satisfied with Private Schools /6

New Books /8

New Data on Old Fears: A Liberal Case for Vouchers /10

Revolution at the Margins: The Impact of Competition on Urban School Systems /13

California Parents Love Their Scholarships /14

Prospect of Vouchers Motivates Florida’s Public Schools to Improve Student Test Scores /16

First Lady Speaks at *Education Next* Forum

AT A LUNCHEON LAUNCHING a new quarterly journal, *Education Next: A Journal of Opinion and Research*, First Lady—and former public school librarian—Laura Bush asked for more

public backing for teachers. Speaking at the Willard Hotel in Washington, D. C., on February 28, 2001, the First Lady proposed new ventures designed to attract into teaching those in business, computer technology, and the armed forces. She also promised to symbolize her own commitment to education by teaching herself in classrooms once each month.



Vol. 1, No. 1

Education Next, sponsored by the Program on Education Policy and Governance (PEPG) and three other institutions, seeks to provide an independent voice on current issues in education policy and governance. “In the stormy seas of school reform,” it says in its mission statement, “this journal will steer a steady course, presenting the facts as best they can be determined, giving voice (without fear or favor) to worthy research, sound ideas, and responsible arguments.” PEPG Director Paul E. Peterson is the editor-in-chief.

The first and second issues of *Education Next* appeared in spring and summer of 2001 and is for sale at newstands. The annual subscription price is \$20, and it is available on the web at educationnext.org. The journal has several sections. In the Forum section of the first issue, for-profit schools are the focus of a debate between John Chubb of the Edison Schools and Henry Levin of Columbia University. In Research, Harvard economist Caroline Hoxby provides new data on how charter schools may be changing the teaching profession. Also, Terry Moe of Stanford University draws upon survey data to estimate what types of families would attend private schools if financial assistance were available. In the Features section, Nancy and Ted Sizer tell the challenge of starting a charter school, while E. D. Hirsch questions the romantic tradition that underpins educational progressivism. In Check the Facts, Eric Hanushek questions two studies by the RAND Corporation that figured in the 2000 presidential campaign. After Book Reviews comes the Back Page, in the first issue a one-page essay written by Lisa Graham Keegan, the Arizona state school superintendent who introduced Laura Bush at the journal’s inaugural luncheon.



Vol. 1, No. 2

Hanushek’s fact-checking provoked a strong response from RAND authors, who respond energetically in the Correspondence section of the second, summer 2001, issue of *Education Next*. In the Forum, the debate focuses on academics within Head Start. The issue is addressed by Grover J. Whitehead, the Department of Education’s newly appointed assistant secretary for education research, and by David Elkind of Tufts University. In Features, the government’s definition of learning disabilities comes under scrutiny. Psychologists G. Reid Lyon and Jack M. Fletcher question its scientific basis and social bias. In a second feature,

First Lady Laura Bush spoke about her education initiative called *Ready to Read, Ready to Learn*.



At a luncheon launching a new quarterly journal, *Education Next*, First Lady Laura Bush asked for more public backing for teachers.

Ready to Read, Ready to Learn is based on three priorities.

First, we must recruit more teachers. There's already a desperate teacher shortage so we should encourage more people to bring their talents, energy, and enthusiasm to the classroom.

Second, we need to spotlight early childhood programs...those proven to help...prepare children for reading and learning long before they pick up a backpack or board their first school bus.

Third, we must give parents, teachers, and caregivers the right kind of information about learning and development—factual information based on years of research and sound science. For

example, we know that a toddler's vocabulary is closely related to how much time an adult spends reading and talking with him or her. Babies need a steady dose of rich language interaction that only an adult can give.

Education reform depends on accountability. Education success depends on early reading. And America's future depends on our teachers.

—Laura Bush

Brookings Institution scholar and former PEPG associate Tom Loveless shows that the federal government's Blue Ribbon program recognizes mediocre schools. Research contains a major new study by Ludger Woesmann on what works worldwide. Using data from the international study of math and science, he finds that students do better in countries that establish clear accountability standards and give families more choice. On the back page, Jerry Brown explains why he is promoting charter schools in Oakland.

You may receive a free copy of an issue of *Education Next* by contacting PEPG. You are also invited to explore the first two issues of *Education Next* on its website, educationnext.org where you will also find extended versions of many of the published articles.

In addition to PEPG, *Education Next* is sponsored by the Hoover Institution, the Fordham Foundation, and the Manhattan Institute for Policy Research. In addition to Paul E. Peterson, the journal is edited by Senior Editor Chester Finn, President of the Fordham Foundation, and Executive Editors Jay P. Greene, PEPG Associate and Manhattan Senior Fellow, and Marci Kanstoroom, Research Director at the Fordham Foundation.

Voucher Programs in Three Cities Show Gains for Blacks

African-American students who switched from public to private schools showed overall test-score performance of 6.3 NPR points higher after the second year than those in the control group who remained in public schools.

SCHOOL VOUCHERS ARE A PARTICULARLY EFFECTIVE policy intervention for African Americans. A PEPG evaluation of voucher programs in New York City, Washington, D. C., and Dayton, Ohio, concludes that when compared to a control group, African-American students increased their test scores in math and reading two years after receiving a voucher that enabled them to switch from a public to a private school. No statistically significant effects were observed for students from other ethnic groups who switched from public to private schools.

In the three cities taken together, the average overall test-score performance of African-American students who switched from public to private schools was, after one year, 3.3 National Percentile Ranking (NPR) points higher, and after two years, 6.3 NPR points higher than the performance of the control group remaining in public schools. By comparison, the effect of two years of participation by African Americans in a class-size reduction randomized field trial in Tennessee, which reduced class size by eight students, was to improve test scores by 4.9 NPR points.

Students' initial abilities and family background do not influence the results, because students were randomly assigned to test and control groups. All results take into account initial ability levels.

...African Americans may be coming from worse public schools than members of other racial groups...

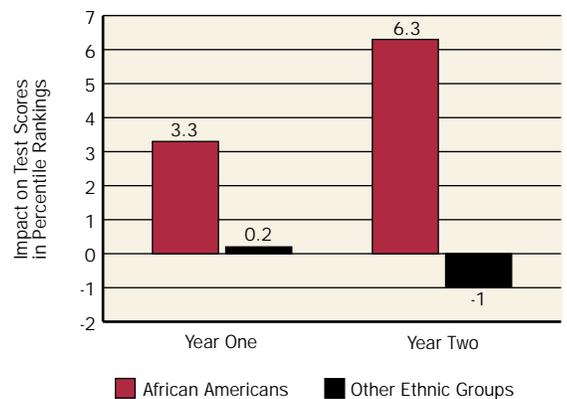
In New York, about 40 percent of participating students are African-American, while the percentages in Dayton and D. C. were 74 percent and 94 percent, respectively. In New York, the remaining students are largely Hispanic, while in Dayton they are predominantly white.

The voucher programs offered lottery winners annual scholarships of up to \$1,700 to help pay tuition at a private elementary school for at least four years. Telephone applications were received in the fall and winter of the year prior to the first year of the voucher program. Because the demand exceeded the supply of vouchers available, vouchers in all three cities were awarded by lotteries that gave each family an equal chance of winning a voucher.

In response to invitations sent by the program operators, applicants attended verification sessions where eligibility was determined, students were given baseline tests, older students filled out short questionnaires, and adult family members completed longer questionnaires.

At this point, the PEPG research team is unable to explain why school vouchers have positive effects on African-American students but no detectable effects on others. PEPG has begun to research this question by examining reports from parents and students about their experiences with their schools collected at the time students were tested. It has found that the impact of attending private school on reducing school disruptions is greater for African Americans than for members of other ethnic groups. That is, when compared to a control group remaining in public schools, African-American parents whose children switch to private schools are less likely to report that fighting, tardiness, and cheating are problems at their child's school. These findings suggest that African Americans may be coming from worse public schools than members of other ethnic groups—or at least that they have a worse experience in public schools.

After Two Years, Vouchers Improve Test Scores for African Americans in New York City, Washington, D.C., and Dayton, Ohio



For more information, see William Howell et al., "Test-Score Effects of School Vouchers in Dayton, Ohio, New York City, and Washington, D. C.: Evidence from Randomized Field Trials," a PEPG working paper that is available at <http://www.ksg.harvard.edu/pepg/>.



Parents Satisfied With Private

Private-school parents are less likely to report that fighting, cheating, stealing, gangs, racial conflict, and guns are a problem in their child's school.

THE CHILDREN'S SCHOLARSHIP FUND (CSF) awarded 40,000 scholarships enabling low-income families across the United States to send their children in grades K–8 to the private school of their choice. Because over 1.25 million families had applied for scholarships, recipients were chosen by lottery, enabling an evaluation of the program by means of a randomized field trial.

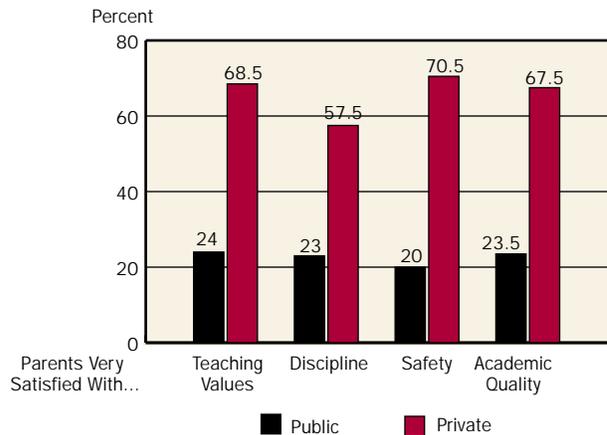
PEPG has found that parents whose children have switched from public to private schools are more likely to give their child's school an "A" grade. While only 16 percent of public-school parents award an "A" to their child's school, 72 percent of private-school parents do. Similarly, far greater percentages of private-school parents say they are very satisfied with the academic quality, safety, discipline, and values taught in their schools. Private-school parents are less likely to report that fighting, cheating, stealing, gangs, racial conflict, and guns are a problem in their child's school. Fewer private-school students also state that other students disrupt classes in their school.



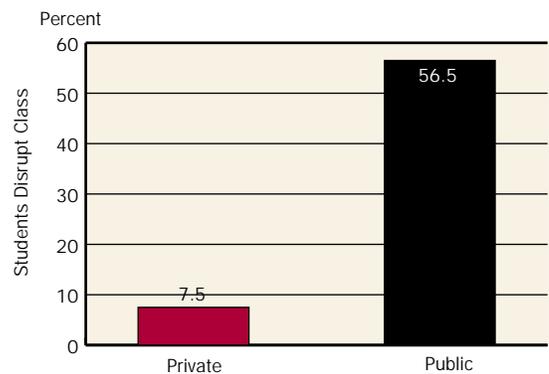
Both Parents and Students Report Better Climate in Private Schools

Schools

Nationwide, More Private-School Parents Satisfied with Their Child's School



According to Students, Fewer Disruptions in Private Schools



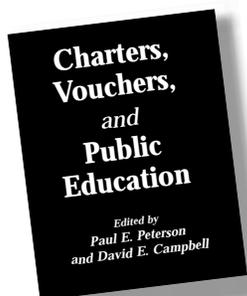
PEPG has also administered the same survey to a representative sample of the national population of parents with school-age children and another sample of families who meet the income and geographic criteria of CSF applicants. In a forthcoming report, PEPG will compare applicants and non-applicants to the nation's largest school-choice program. The researchers will thus be able to answer the important questions: (1) who applies for vouchers; and (2) who uses them when they are offered.

A common criticism of school choice is that it will only serve to "cream" the best students from the nation's public schools. Until this study, those few scholars who have attempted empirical examination of the "creaming effect" were limited in the data they could draw on. They could either examine data from particular and potentially idiosyncratic cities with voucher programs, or use national surveys that ask people hypothetical questions about their likelihood of using a voucher. For the first time, PEPG will be able to test whether vouchers really do "skim the cream" from public schools with national data based on parents' actual, not hypothetical, behavior.

While only 16 percent of public-school parents award an "A" to their child's school, 72 percent of private-school parents do.

Charters, Vouchers, and Public Education

Political leaders of all stripes seem to agree that we must improve America's schools, while not always agreeing on how it should be done. But this high degree of interest in education has not necessarily translated into an informed debate over various reform proposals. Partisans on both sides of the school-choice debate make claims and charges with little basis in fact. With this book, the editors hope to make an empirically grounded contribution to the national discussion about improving the nation's schools.

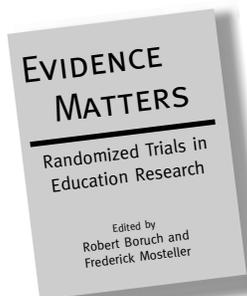


Specifically, they have brought together numerous studies on two of the most prominent plans to reform education: school vouchers and charter schools. To this point, discussions of vouchers and charters have too often been conducted on parallel tracks—never crossing. Recognizing the need for cross-pollination between people studying vouchers and those examining charter schools, they invited a group of scholars to a conference, co-sponsored by PEPG and the Manhattan Institute, specifically to grapple with issues relevant to both forms of school choice. *Charters, Vouchers, and Public Education* (Brookings 2001) is the culmination of the project. Paul E. Peterson and David E. Campbell are the editors.

Charters, Vouchers, and Public Education (Brookings 2001) is the culmination of the project. Paul E. Peterson and David E. Campbell are the editors.

Evidence Matters: Randomized Trials in Education Research

Education practices are constantly being evaluated—by children, parents, teachers, and policymakers. Researchers use a variety of tools to determine the impact and efficacy of certain practices, including sample surveys, narrative studies, and exploratory research. However, randomized field trials, which are commonly used in other disciplines, are rarely employed to measure the impact of education practice. *Evidence Matters* (Brookings 2001) explores the history and current status of research on practices in education and encourages



the more frequent use of randomized studies. The editors are Robert Boruch and Frederick Mosteller. Boruch is the University Trustee Chair Professor at the

University of Pennsylvania. Mosteller is Roger I. Lee Professor, Emeritus, in the Department of Statistics at Harvard University.

University of Pennsylvania. Mosteller is Roger I. Lee Professor, Emeritus, in the Department of Statistics at Harvard University.

Conflicting Missions? Teachers Unions and Educational Reform

As American citizens continue to express grave concern over the state of public education, debate rages over curricula and standards, the merits of choice and voucher programs, and the urgent need for safe schools. Parents, administrators, and school boards are visible participants in the reform debate. But one important institution—the teachers union—has received far too little study. This new volume provides a clear, balanced analysis of the role of teachers unions in encouraging, implementing and/or stifling reform in U.S. schools.

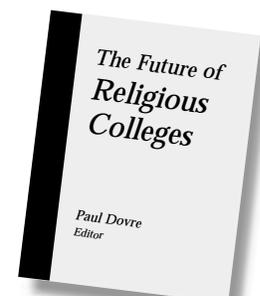


Conflicting Missions (Brookings 2000) examines the relationship between unions and educational reform from many different perspectives. Do unions affect student performance? Why are they so adamantly opposed to school choice? Can unions simultaneously protect the interests of teachers and support innovation? Is collective bargaining reconcilable with attempts to shake up the schools? Or do inherent conflicts of interest guarantee that teachers unions will remain defenders of a status quo that is unacceptable to many Americans?

Taking a hard look at arguments of the unions' most vehement critics—as well as its most ardent supporters—*Conflicting Missions* fills a glaring need in an area where there are many opinions, but no easy answers.

The Future of Religious Colleges

In *The Future of Religious Colleges* (Erdmans 2001), fifteen distinguished scholars and educational leaders consider the future of this group of institutions around five issue clusters: the future of religious scholarship in a postmodern era; the viability of distinctively religious colleges in a secular society; the interaction between religious vision and institutional practice; models of relationship between colleges and religious sponsors; and issues of public



Conference on Vouchers, Charter Schools, and Public Education

policy and judicial interpretation. This book includes essays from the fall 2000 PEPG conference on "The Future of Religious Colleges" and is edited by PEPG Visiting Scholar Paul J. Dovere, who is President Emeritus of Concordia College, Moorhead, Minnesota.

Shaped by changing currents in public policy, demographics, economic realities, intellectual fashion, and church priorities, religiously affiliated colleges and universities experienced significant change during the second half of the twentieth century. These changes are exemplified by the laicization of governance in Roman Catholic institutions, the benign neglect of Methodist sponsorship, and the diminution of financial support on the part of Lutheran church bodies. In their newfound circumstances most religious colleges became more religiously diverse in the composition of their faculty, staff, and student bodies and more secular in character and content. From a material point of view, most thrived; from an academic point of view, most improved; and from a societal perspective, graduates of these colleges exercised a positive impact in the society.

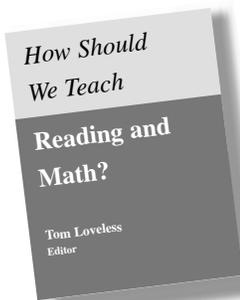
How Should We Teach Reading and Math?

Throughout the twentieth century, fiery philosophical and pedagogical battles were waged over what schools should teach and how they should teach it. Progressives and traditionalists represented the two ideological camps in this struggle. Today,

their conflict primarily focuses on two subjects, mathematics and reading. This volume, edited by Tom Loveless, examines disagreements over math and reading curricula, evaluates where we have been, and identifies where we may be headed.

How Should We Teach Reading and Math? (Brookings 2000) includes contributions from scholars on both sides of the disputes,

as well as chapters by distinguished nonpartisans. They address several important questions. What are the origins of educational conflict? What is more important for educators, process or content? Do math and reading reforms actually work? How has the political advantage shifted among the various reform movements? What are implications for curriculum policy, teachers' instructional choices, and student learning?



In March 2000, PEPG and the Manhattan Institute hosted a conference bringing together scholars, pundits, and policy-makers to discuss the relative merits and demerits of



Chester E. Finn Jr. and Isabel Sawhill

school vouchers and charter schools. Over the course of two days, more than one hundred and sixty people participated in the conference. Papers were delivered on a variety

of topics touching on numerous aspects of both school vouchers and charter schools. Most of these papers are soon to be published in *Charters, Vouchers, and Public Education*, edited by Paul E. Peterson and David E. Campbell.

In addition to the academic research presented at the conference, participants also heard a lively debate on whether "School Choice Will Ruin American Education." Speaking for the resolution were Professor Bruce Fuller of the University of California-Berkeley and Tom Mooney of the Cincinnati Federation of Teachers. Speaking against were Chester E. Finn Jr., of the Manhattan Institute (and a former Assistant Secretary of Education) and Howard Fuller, former Superintendent of Schools in Milwaukee, Wisconsin. The debate format served to crystallize many of the issues that had been discussed during the conference, providing an entertaining and informative discussion for all in attendance.

The next day, conference-goers also heard a luncheon address by Lisa Graham Keegan, Superintendent of

Public Instruction for the State of Arizona. Because Arizona is home to a large number of charter schools, Superintendent Keegan has first-



Paul E. Peterson, Jeanne Allen, David N. Plank, and James G. Cibulka

hand experience with the challenges and opportunities that come with this particular form of school governance.



Lisa Graham Keegan

New Data Counter

A Liberal Case for Vouchers

by Paul E. Peterson

PERHAPS YOU'RE FAMILIAR WITH THE "SKIMMING" argument against school vouchers. As this line of thinking goes, the parents most likely to opt for vouchers will be the ones who are already most involved with their children's education—which, on average, will mean the parents of the most motivated and gifted students. Once the best and the brightest flee to private schools, public schools will only get worse; this debilitating cycle will continue until the best students are skimmed off and the only kids left in public schools are those with the fewest skills and the least-involved parents—in other words, the students most in need of help. "Vouchers are like leeches," says North Carolina Governor Jim Hunt. "They drain the lifeblood—public support—from our schools." Bob Chase, president of the National Education Association, concurs: Establishing a system of vouchers, he says, would be like "bleeding a patient to death."

We liberals are sensitive to this argument because we know that needy students are now getting the short end of the educational stick. Yet, while liberals are right to be concerned about these students, new data from a privately financed voucher program in Texas suggest that we should give vouchers a second, more serious look. Far from aggravating income and racial disparities in education, vouchers may actually help to ameliorate them.

In April 1998, the Children's Educational Opportunity (CEO) Foundation offered vouchers to any low-income child in San Antonio's Edgewood school district. Almost all of the district's 13,490 students were eligible for the program, because Edgewood is among the poorest of the city's twelve school districts—more than 90 percent of its students are economically disadvantaged, and 93 percent are Latino. (Nonetheless, the district, which receives 90 percent of its funding from state and federal aid, spends more than \$6,000 per pupil, which exceeds the state average.)

The vouchers were hardly paltry: Providing up to \$3,600 a year for elementary school students and \$4,000 a year for those in high school, they would cover tuition at most San Antonio private schools, which for voucher students averages less than \$2,000 annually. And, once a child's family decided to use vouchers, the CEO Foundation promised to continue providing them until that child graduated from high school, as long as he or she still lived in Edgewood. In addition, students could use the vouchers anywhere in San Antonio, even in public schools outside Edgewood that were willing to accept them. In the program's first year (the 1998–1999 school year), approximately 800 Edgewood students made use of the vouchers.

The Texas Federation of Teachers howled that private schools would "cherry pick" the best students and predicted the program would "shorten the honor roll" in public schools. "Right now, I don't have the profile of every child," Edgewood School Superintendent Dolores Munoz said on PBS's "News Hour with Jim Lehrer," "[but] I guarantee you that at least 80 percent will be the high-achieving students."

To make matters worse, stories of private schools shutting out applicants quickly circulated. Edgewood's school board president, Manuel Garza, wrote in the *San Antonio Express News* that he had received a call from "a mother ... for help because their application to the [Horizon program] had been denied.... I asked why she was denied. The mother said she was a single mom, had two jobs, and was told she was unacceptable because she could not dedicate time for extracurricular requirements, like helping out with homework and fund-raising." In other words, not only were the voucher students an unusually strong group academically, but the private schools were then allegedly winnowing their ranks even further.

But data from a recently completed evaluation (funded by the Packard Foundation) that included results

Old Fears

from tests of student achievement and questionnaires filled out by parents during testing sessions yield a more complicated, and more encouraging, picture. (Standard techniques were employed to ensure a representative sample, and Mathematica Policy Research, a well-respected evaluation firm with contracts with the Department of Education and other government agencies, collected the data.)

It's true that the private schools had only limited capacity, in part because the program was unveiled in April and went into effect the very next August. Yet there is little evidence that the schools were weeding out all but the best students. For example, on the math component of the Iowa Test of Basic Skills, on which the national median score falls at the fiftieth percentile, the voucher students, upon arriving at their new schools, scored at the thirty-seventh percentile, while the students who stayed in public school scored at the thirty-fifth—a difference that is not statistically significant. In reading, voucher students scored at the thirty-fifth percentile, while public school students scored at the twenty-eighth. This difference is significant but is hardly the gaping disparity voucher opponents predicted. In addition, just 23 percent of the voucher students had been enrolled in programs for gifted students, while 29 percent of the students who stayed in public school were.

These results are consistent with analyses conducted by the research department at the Edgewood public schools, which compared the test scores of students who later accepted vouchers with the scores of those who remained behind. Never made public, perhaps because it directly contradicted the school superintendent's assertions, the research did not show a significant "skimming" effect. In the authors' technical language: "[F]ew statistically significant differences [in average test scores] are to be found between [the voucher] students ... and those not ... identified" as voucher students.

Far from aggravating income and racial disparities in education, vouchers may actually help ameliorate them.

Apparently, families have many reasons for choosing private schools. They may be looking for better schools for children who are doing poorly just as often as they are looking for other schools for bright youngsters. But admission to private school is one thing; keeping one's place in school is another. Since private schools can suspend or expel students more easily than public schools can, critics say, they are able to weed out the worst students. Again, the numbers refute this seemingly logical argument. Suspension rates were equal for the voucher students and the Edgewood public school students—around 5 percent

for both groups. And what about income? Average household income was nearly identical—right around \$16,000. The students' ethnic background (96 percent Latino) and their levels of welfare dependency and residential stability were also extremely

similar. Quite apart from suspensions, the voucher students were more likely to remain in the same school for the year and were just as likely to return to that school the next year.

This isn't to say that there were no distinctions whatsoever among the students. Eight percent of voucher students were enrolled in some sort of special education, while the figure for public school students was 16 percent. There were also some modest demographic differences between the two groups of parents. The average mother of a voucher student had completed twelve years of education, compared to eleven years for the average public school mother. Half of the voucher-student mothers worked full time, compared to just 37 percent of the mothers who kept their kids in public school. Only 22 percent of voucher-student mothers were on food stamps, but 33 percent of public school mothers were.

But these small distinctions are hardly enough to justify the extreme resistance to vouchers. For one thing, those helped by vouchers were far from well-off—the parents reported making less than \$16,000 a year! There are plenty of other government programs, from Pell Grants to the Earned Income Tax Credit, that predominantly benefit the working poor, and nobody (well, almost nobody) protests them on the grounds that they don't benefit people further down the economic ladder. Support for vouchers is particularly strong among minority families, especially those living in cities. According to a recent survey undertaken at Stanford University, 85 percent of the inner-city poor favor a voucher plan, compared with 59 percent of more advantaged parents who live in the suburbs. Asked if they “strongly” favor a voucher plan, 58 percent of poor urbanites agreed, compared to just one-third of upper-middle-class suburbanites.

More important, though, vouchers have the potential to improve socioeconomic and racial integration, as long as they are generous enough to cover most of the tuition and as long as schools are prohibited from racial or ethnic discrimination in admissions. Remember, our public school system is already plagued by vast inequalities. Because most school funding comes through local property taxes, disparities among affluent suburban schools and city or rural schools are legendary. The story on race is no better: Despite three decades of busing, public schools today are more segregated, not less. In 1997, 69 percent of African Americans attended schools composed predominantly of minority students, up from 64 percent in 1973. For Latinos, the increase is much steeper, from 57 percent to 75 percent over the past twenty-five years. Today, despite federal interventions ranging from Head Start to compensatory education, we have disturbingly large test-score gaps between cities and suburbs, as well as between blacks and whites. According to one 1994 survey, only 43 percent of urban fourth-graders read at a basic level, compared with 63 percent of students in nonurban areas.

Vouchers have the potential to improve socioeconomic and racial integration, as long as they are generous enough to cover most of the tuition and as long as schools are prohibited from racial or ethnic discrimination in admissions.

Private schools, on the other hand, are already more racially integrated than public ones. Manhattan Institute Fellow Jay Greene estimates that private-school classrooms are seven percentage points more integrated than public schools. Examining Department of Education data, he also found more interracial friendships in private schools than in public ones (as reported by students) as well as less interracial fighting (as reported by administrators, teachers, and students). And, sure enough, in all the voucher programs for which we have been able to obtain ethnic data, students were less likely—or at least no more likely—to be attending segregated schools than students remaining in public school. This isn't surprising, given that

private schools can draw students from across school district boundaries, and religious schools provide a common tie that cuts across racial lines.

Oh, yes, and how about those voucher families in Edgewood—what do they think of their new schools? More than 60 percent say they are “very satisfied” with the schools' academic quality, compared to 35 percent of the Edgewood public-school parents. Similar

differences in satisfaction levels are reported by parents regarding school safety, school discipline, and quality of teaching.

There are, of course, many other arguments against voucher programs, from the church-and-state issue to questions about for-profit schools. I don't happen to buy those arguments, either, but I'm happy to continue letting pilot programs provide a testing ground. Given the potential of vouchers to achieve more racial and socioeconomic diversity in education—one of the great goals of education reformers since the 1960s—you'd think more liberals would be open to experimenting with them.

Reprinted with permission from *The New Republic*
Issue date: October 4, 1999

Revolution at the Margins: The Impact of *Competition* on Urban School Systems

FOR MORE THAN A DECADE, SCHOOL CHOICE HAS BEEN A FLASHPOINT in debates about our nation's schooling. Perhaps the most commonly advanced argument for school choice is the notion that markets will force public schools to improve, particularly in those urban areas where improvement has proved so elusive.

However, the question of how public schools respond to market conditions has received surprisingly little attention.

In *Revolution at the Margins*, a Brookings Institution volume that will appear later this year, Frederick M. Hess examines the impact of school vouchers and charter schooling on three urban school districts, explores the causes of the behavior observed, and explains how the structure of competition is likely to shape the way it affects the future of public education.



Frederick M. Hess

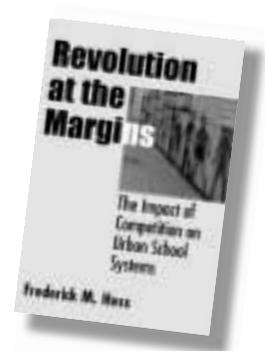
The book draws on research conducted in three school districts at the center of the school-choice debate during the 1990s: Milwaukee, Wisconsin; Cleveland, Ohio; and Edgewood, Texas. Case studies examine each of these three districts from the inception of their local school-choice program through the conclusion of the 1999 school year.

The three school districts studied did not respond to competition by emphasizing productivity or efficiency. Instead, under pressure to provide some evidence of response, administrators tended to expand public-relations efforts and to chip holes in the rules, regulations, and procedures that regulate public-sector organizations. Inefficient practices were not rooted out, but some rules and procedures that protect employees and vocal constituencies were relaxed.

Public school systems are currently governed and structured in a manner that will encourage urban school officials to generally respond with symbolic and metaphorical gestures. The irony is that these efforts may, at times, result in more profound changes. The larger point is that choice-induced changes in public school systems will be shaped by public governance, the market context in which they operate, and their organizational characteristics.

Revolution at the Margins encourages scholars and policymakers to think more carefully about the costs and benefits of educational competition, to understand how competitive effects will be heavily shaped by the outcomes of more conventional efforts to reform schooling, and to reevaluate some of the facile promises of market-based education reform.

Frederick M. Hess is assistant professor of government and education at the University of Virginia and PEPG research associate. His books include *Spinning Wheels: The Politics of Urban School Reform* (Brookings Institution 1999) and *School Choice in the Real World: Lessons from Arizona's Charter Schools* (Westview 1999).



Public schools generally respond with symbolic and metaphorical gestures. The irony is that these effects may, at times, result in more profound changes.

California Parents Love Their Scholarships

IN 1998, THE BAY AREA SCHOLARSHIPS FOR INNER-CITY CHILDREN (BASIC) FUND was created to give low-income families scholarships to attend private schools in the San



Francisco area. To assess the program's impact on low-income families, PEPG conducted a telephone survey of parents and students who used BASIC Fund scholarships to move from a public to a private school, as well as of those families who were offered a scholarship but remained in San Francisco public schools. The results of this survey, published in a recent PEPG working paper, indicate that the families receiving BASIC Fund scholarships have benefited from the program in a variety of ways.

Most notably, parents of students using BASIC Fund scholarships to attend a private school are significantly more satisfied with the schools their children attend than are applicant parents whose children continued to attend public schools. Sixty-six percent of BASIC Fund parents report that they are "very satisfied" with the academic quality of their child's school, as compared to just 21 percent of those parents remaining in the public sector. Similarly large differences emerge when the two groups are asked about the safety, discipline, and teaching of values in their children's schools.

In addition, fewer recipient parents than applicants who remained in San Francisco public schools report that fighting, cheating, stealing, and racial conflict are serious problems at their child's school. For example, 17 percent of scholarship users say that fighting is a "very serious" problem at their school, as compared to 41 percent of non-users. Similarly, fewer students participating in the BASIC Fund program say that "other students often disrupt class" in their school.

Fifty-eight percent of the parents using BASIC Fund scholarships say they would give their child's school an overall grade of "A," a response given by only 16 percent of applicants remaining in public schools.

The enhanced satisfaction and improved atmosphere at the schools attended by BASIC Fund students is not attributable to superior facilities or extensive special programs. On the contrary, the private schools they selected are less likely to have many material resources standard in the public sector, including a nurse's office and special programs for students with learning problems. Although the private schools attended by BASIC Fund students are significantly smaller than those attended by students remaining in San Francisco public schools, there is no statistically significant difference in average class size; for both groups, the typical class has just under twenty-three students.

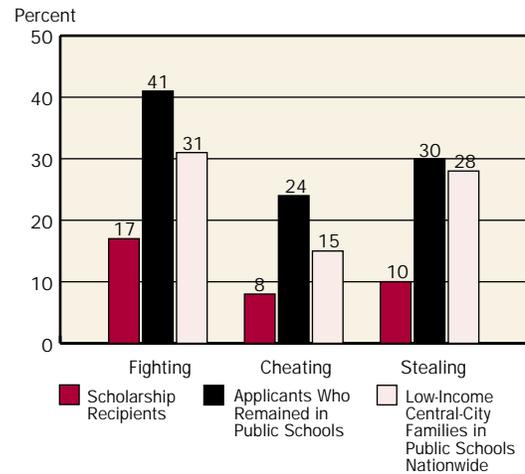
The enhanced satisfaction is not attributable to superior facilities or extensive special programs.

The responses of both parents and students suggest that scholarship recipients are expected to do more homework than applicants who remain in public schools; over three-fifths of parents using scholarships say that their child does “one to two hours” or more of homework each night, as opposed to just 39 percent of students in public schools.

More educated and religiously observant mothers were more likely to take advantage of the opportunity the offer of a BASIC Fund scholarship presented; the mothers of BASIC Fund students are more likely to have graduated from college and to attend church at least once a week. Otherwise, the differences in the demographic profiles of the two groups are negligible.

For more information, see Paul E. Peterson, David E. Campbell, and Martin R. West, “An Evaluation of the BASIC Fund Program in the San Francisco Bay Area, California,” available at <http://www.ksg.harvard.edu/pepg/>.

School Discipline



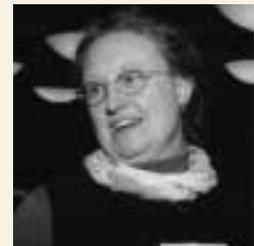
Future of Religious Colleges Is Bright, Say Scholars and Officials



Rev. Bryan Hehir and Paul J. Dove

The future of religious colleges is bright, concluded dozens of scholars and administrators who convened at Harvard University (this past October) to debate the topic. On October 6–7, 2000, the Program on Education Policy and Governance at Harvard University sponsored a Conference on the Future of Religious Colleges.

Representing a range of Christian denominations—from the extensive network of Roman Catholic colleges to the tiny contingent of Anabaptist-Mennonite institutions—the educators portrayed the cultural climate as increasingly welcoming to religious scholars and hospitable to religious institutions.



L. DeAne Lagerquist

Even George M. Marsden, a historian at the University of Notre Dame, whose 1994 book, *The Soul of the American University: From Protestant Establishment to Established Nonbelief*, noted the decline of faith-based institutions, found cause for optimism. “The general consensus is that there’s no reason to continue along the slippery slope toward secularism,” he said. “This is a moment of opportunity for religious colleges.”



Paul E. Peterson and Samuel DuBois Cook

Excerpts from Beth McMurtrie’s article that appeared in *The Chronicle of Higher Education*, October 20, 2000.

Prospect of Vouchers *Motivates* Florida's Public Schools to Improve Student Test Scores



Jay P. Greene

A NEW STUDY AUTHORED BY JAY P. GREENE, PEPG RESEARCH ASSOCIATE, found that students at Florida schools improved their academic performance when their schools were faced with the prospect of losing students to private schools through vouchers after passage of the A-Plus education reform plan.

Greene examined the results of the Florida Comprehensive Assessment Test (FCAT) and the Stanford 9 standardized test. He found that schools that received a failing grade from the state in 1999 and whose students would be offered tuition vouchers if they failed a second time achieved gains in test scores that were more than twice as large as those achieved by other schools. These findings were hailed by Florida Department of Education Commissioner Charlie Crist, who said, "Dr. Greene's report provides solid proof that Florida's A-Plus Plan is working."

Of special interest were the larger gains realized by the high-scoring F schools compared to the gains realized by low-scoring D schools (see table). The improvement achieved by high-scoring F schools on the reading test was 2.6 points greater than that achieved by lower-scoring D schools. On the math test the higher-testing F schools made gains that were 6.1 points greater than those produced by lower-scoring D schools. The difference between the

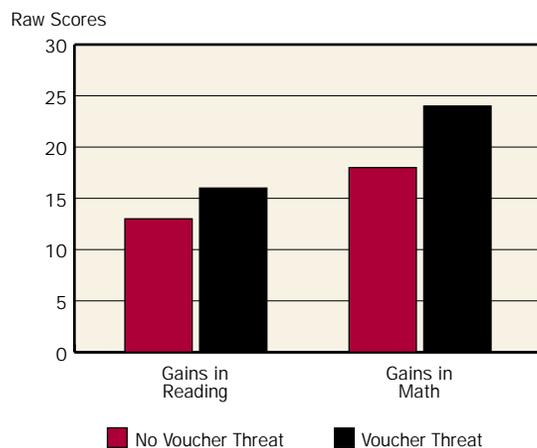
two groups of schools on the writing test was .16, keeping in mind that the scale for the writing test goes from 0 to 6 instead of from 100 to 500, as is the case for the reading and math exams.

Greene concluded that the gains made by the higher-testing F schools in excess of what were produced by the lower-scoring D schools are what we can reasonably estimate as the effect of the unique motivation that vouchers posed to those schools with the F designation. Given that the higher-testing F schools were very much like the lower-testing D schools, the fact that those schools that faced the prospect of vouchers made larger gains suggests that vouchers provide especially strong incentives to public schools to improve.

The author went on to say that "contrary to the concern that public schools are incapable of responding to the competitive challenge of school choice, the evidence in this report shows that even the prospect of vouchers inspires significant improvement in public schools."

For more information go to: www.ksg.harvard.edu/pepg/pdf/bulkley.pdf.

Isolating the Effect of the Threat of a Voucher



Research Papers

“An Evaluation of the Children’s Scholarship Fund” by Paul E. Peterson and David E. Campbell

“An Evaluation of the BASIC Fund Scholarship Program in the San Francisco Bay Area, California” by Paul E. Peterson, David E. Campbell, and Martin R. West

“An Evaluation of the Florida A-Plus Accountability and School Choice Program” by Jay P. Greene

“Test-Score Effects of School Vouchers in Dayton, Ohio, New York City, and Washington, D.C.: Evidence from Randomized Field Trials” by William G. Howell, Patrick J. Wolf, Paul E. Peterson, and David E. Campbell

“School Choice in New York City After Two Years: An Evaluation of the School Choice Scholarships Program” by David Myers, Paul E. Peterson, Daniel Mayer, Julia Chou, and William G. Howell

Papers from: Conference on Charter Schools, Vouchers, and Public Education (March 9–10, 2000):

“Charter Schools: Where We Are and What We Know” by Gregg Vanourek, Chester E. Finn Jr., and Bruno V. Manno

“A Survey of Results from Voucher Experiments: Where We Are and What We Know” by Jay P. Greene

“The Attraction of Private Schools” by Terry Moe

“Accountability in a World of Charters and Vouchers: Are Market Forces Enough?” by Scott Hamilton

“The Emerging Market for Schooling: Evidence from Michigan” by Michael Mintrom and David Plank

“Politics, Markets, and Two Choice Reform Movements” by Bryan Hassel

“School Choice in Dayton, Ohio: An Evaluation After One Year” by William G. Howell and Paul E. Peterson

“School Choice in Washington, D. C.: An Evaluation After One Year” by Patrick J. Wolf, William G. Howell, and Paul E. Peterson

“How School Leaders Respond to Competition: The Mitigating Effects of School Culture” by Robert Maranto, Frederick Hess, and Scott Milliman

“Does Competition from Charter Schools Leverage Change in Traditional Public School Systems? A Tale of Five Cities” by Mark Schneider, Paul Teske, Sara Clark, and S. P. Buckley

“Hints of the Pick-Axe: The Impact of Competition on Public Schooling in Milwaukee” by Frederick Hess

“The U.S. Charter School Movement: Lessons from New Zealand’s Experience with Self-Governing Schools and Parental Choice” by Helen Ladd and Edward Fiske

“Making Democratic Education Work: Schools, Social Capital, and Civic Education” by David Campbell

“Private Schooling and Political Tolerance: Evidence from College Students in Texas” by Patrick J. Wolf, Jay P. Greene, Brett Kleitz, and Kristin Thalhammer

“School Choice and American Constitutionalism” by Joseph Viteritti

“What Is to Be Done?” by Diane Ravitch

“What Do We Still Need to Know?” by Paul Hill

Papers from: Conference on the Future of Religious Colleges (October 6–7, 2000):

“Faith and Knowledge: Religion and the Modern University” by Douglas Sloan

“Religious Scholars in the Academy: Anachronism or Leaven?” by George Marsden

“The Religious College: Dying Light or New Dawning?” by David O’Connell

“The Future of the Religious: Looking Ahead by Looking Back” by Mark Noll

“Embodying Religious Mission: The Catholic Tradition” by Philip Gleason

“The Perils of Prosperity: Neo-Calvinism and the Future of Religious Colleges” by Joel Carpenter

“Embodying Religious Mission: The Evangelical Vision” by Jud Carlberg

“The United Methodist Church and Its Predominantly Black Colleges” by Samuel DuBois Cook

“Embodying the Mission: The Ethos of Anabaptist-Mennonite Colleges” by Paul Keim

“Identity and Relationship: Emerging Models” by Monika K. Hellwig

“Identity and Relationships: Baptist Models — Past, Present, and Future” by Michael Beaty

“Identity and Relationship: Emerging Models in Higher Education, Church of the Nazarene” by Jerry D. Lambert, Al Truesdale, and Michael W. Vail

“Lutheran Higher Education in the Twenty-first Century” by Mark Schwehn

“Identity and Relationship: Emerging Models in Higher Education” by Jerry D. Lambert, Al Truesdale, and Michael W. Vail

“Reflections on Ex Corde Ecclesia” by Joseph M. Herlihy

“Academic Freedom and the Status of the Religiously Affiliated University” by Eugene Bramhall and Ronald Z. Ahrens

“Religious Colleges and the Public Square: State and Local Issues” by Kent Weeks

INFORMATION matters!

The new journal *Education Next* is filled with the latest research, thoughtful commentary, and stories direct from the front lines. Information you can't afford to miss if you are concerned about the state of education in America.

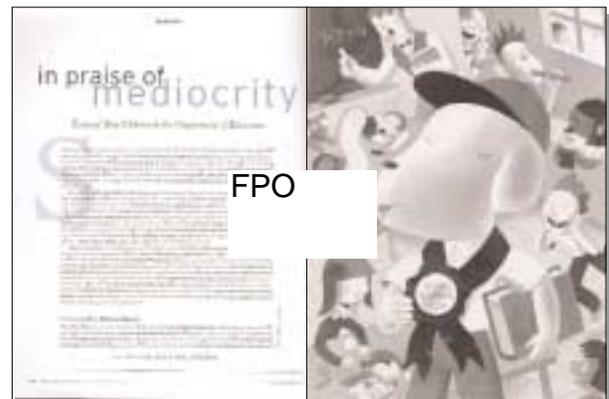


Ludger Woessmann asks why some nations do better than others in math and science.

The mayor of Oakland, Jerry Brown, explains why his city needs a publicly funded military academy.



FPO



What county-fair judge would give a blue ribbon to a so-so cherry pie? According to Tom Loveless and Paul DiPerna, that is exactly what the federal school pickers have done.

But don't take our **word** for it!

For a **free** sample copy, call 1-650-723-3373, or visit our website at www.educationnext.org



Program on Education Policy and
Governance (PEPG)

Kennedy School of Government
Harvard University, Room T-308
79 John F. Kennedy Street
Cambridge, MA 02138