



# 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

ANNUAL REPORT

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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

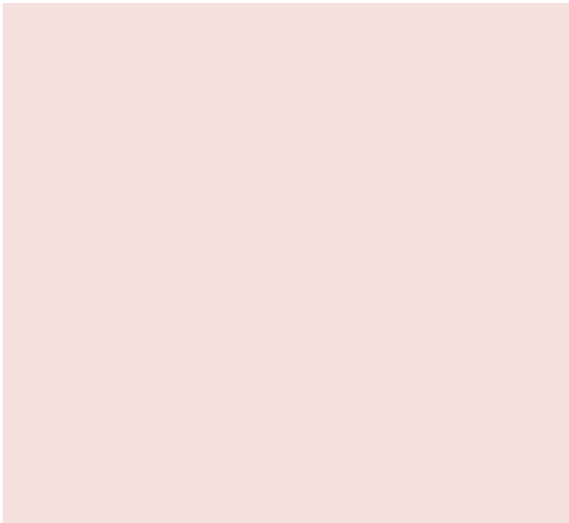
research is underway (*see pages 3-5 of this report*), only a rigorously conducted "randomized experiment" can sort out the impact of school choice on student achievement.

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.

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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



#### 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 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. ♦

By Paul E. Peterson

**Effect of Attending Milwaukee's Choice Schools on Test Scores**



## 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;
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## Research Notes

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

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### 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. ♦



TomLoveless



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

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

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

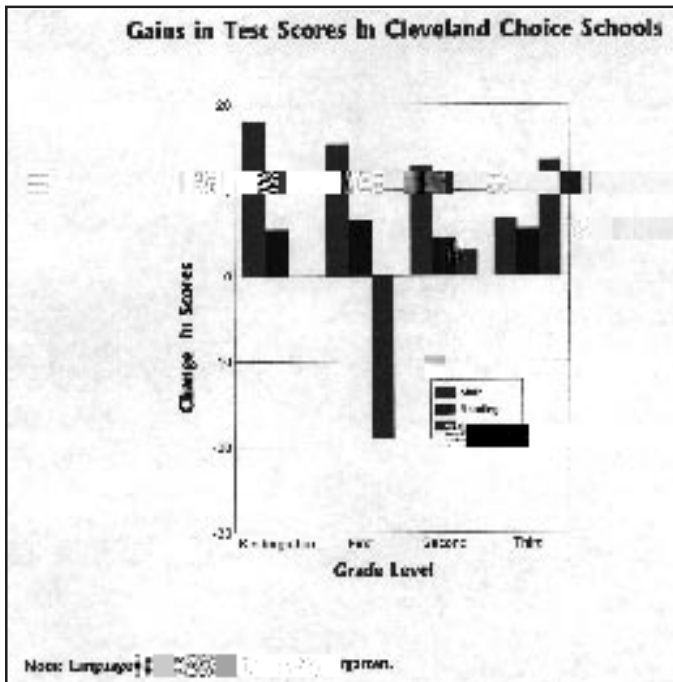
Tracing the effects of these compromises in four states with charter laws, Hassel finds that they have indeed made it difficult for charter school programs to exert their hoped-for system-changing impact. Only by adopting less compromised laws, he argues, can policy-makers expect charter programs to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

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

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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 Vytlačil, University of Chicago  
Ability, Human Capital and Wages

Greg J. Duncan and Rachel Dunifon, Northwestern University, and Dave Knutson, University of Chicago  
Who 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 Demerter, 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 Ideals 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 Howell, 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

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