Program on Education Policy *and* Governance

HARVARD UNIVERSITY

Program on Education Policy and Governance

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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."

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.

Journal Launched

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.

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 campaig(es)-22gU x11.1(u)-00(t)-11.1(h)22.1.1.1.f5eook-22.3(a)-39.7(vidi F)19.7(o)0rshgHL1(e 200 pion(i)19.9.9 Cair

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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

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 TenDlOd3Po(ss-s)-22.3(izand af)-2y68oC7n,25(v)s8r e(a) ic to

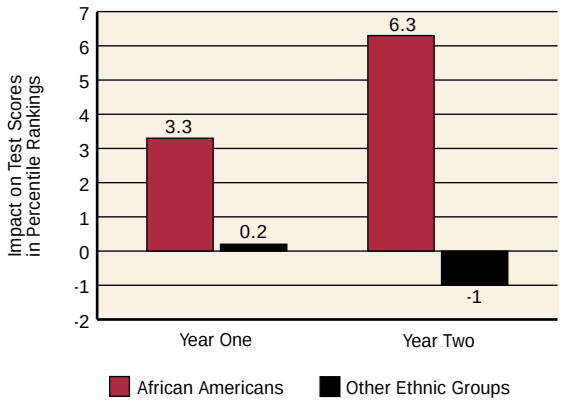
...African Americans may be coming from worse public schools than members of other racial groups...

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.

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



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.

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/.

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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

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.

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.

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*

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.

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

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.

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.

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

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.

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

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 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.

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.