HARVARD’S PROGRAM ON
EDUCATION POLICY AND GOVERNANCE

A Bridge to the Future
New Digital Learning Policy Conference Hosted by PEPG

School Vouchers Help African Americans Go to College

Third Graders Benefit from Grade Retention

The Middle School Plunge

Education Next After 12 Years

Why Can’t American Students Compete with the Rest of the World?

International Conferences

Sixth Annual Public Opinion Survey

Federalism and the Global Debt Crisis

PEPG Fellows

The global debt crisis and its effects on U.S. and European federalist-based governments. PEPG research and articles from its journal, Education Next, have been widely cited by scholars and bloggers alike, used for teaching in colleges and universities around the country and across the oceans, quoted by elected officials, and reported in major media outlets. These are a few of the activities highlighted in the pages that follow. We welcome your comments and suggestions.

—Paul E. Peterson

The Harvard Program on Education Policy and Governance (PEPG) has acted as a bridge to the educational future by holding true to its research and training mission, producing influential reports and involving students in its research, conferences and other activities. PEPG is entering its 17th year and celebrating the 13th year of its widely read quarterly journal Education Next.

Through careful research, PEPG scholars are clarifying the school reform agenda—on topics that range from middle schools and social promotion to international competitiveness and digital learning.

The Harvard Program on Education Policy and Governance (PEPG)
As digital learning opportunities are spreading, the hype around their potential to create a student-centric public education system is expanding at just as rapid a pace. Many worry, however, that if the proper policies and regulations are not in place to focus them around student learning outcomes and growth, then digital learning may fail to deliver on its promise. In early February, education experts from districts, charter schools, legislatures, education companies, foundations, think tanks, and academia gathered at the Hoover Institution on the campus of Stanford University to discuss some of the thornier policy questions relating to the growth of digital learning in the country’s K–12 education system.

With the 10 Elements of High Quality Digital Learning, created in 2010 by the Digital Learning Council, co-chaired by former governors Jeb Bush and Bob Wise, providing the starting point for the conversation, participants delved into several areas likely to create the most challenges from a policy perspective to the implementation of the following framework:

1. Funding follows the student
2. Choice among multiple providers
3. Fund achievement, not attendance
4. Federal, state and local roles in education

What emerged from the conversations was at times confusing and also revealing. First, the conversations were noteworthy for the participants’ inability to keep the strands separate from each other. Each of the policy questions has significant and complicated interdependencies with the other elements. Second, among a group noteworthy for its broad agreement around the potential of technology to transform America’s education system into a student-centric one able to personalize affordably for different student needs was a stunning amount of disagreement among the panelists on how to create a coherent and integrated learning experience as one participant said, “What about the student who takes 13 different courses from 13 different providers? Does that actually add up to a valuable high-school education equal to the sum of the individual courses a student takes?”

In addition, some noted that private funding began following students in 2003, partial funding followed students down to the course level is a critical state policy for digital learning to realize its promise. But not everyone at the conference was on board. A few could not understand why a school should be responsible for all learning so as to create a coherent and integrated learning experience. As one participant said, “What about the student who takes 13 different courses from 13 different providers?”

Funding follows the student

When the state of Florida moved the funding for the Florida Virtual School (FLVS) away from a year-to-year line-item appropriation to a per-pupil funding model in 2003, partial funding began following students to the FLVS course of their choice. Enrollments in FLVS steadied. It now serves more than 148,000 students. In addition, funding does not just follow students to the online course; it also creates an accountability mechanism, as FLVS receives funding only when a student successfully passes the course. Since then, many—including the majority of people at the conference—have accepted that having funding follow students down to the course level is a critical state policy for digital learning to realize its promise.

But not everyone at the conference was on board. A few could not understand why this was desirable. In their view, it would create a fractured learning experience, when a school should be responsible for all learning so as to create a coherent and integrated learning experience. As one participant said, “What about the student who takes 13 different courses from 13 different providers? Does that actually add up to a valuable high-school education equal to the sum of the individual courses a student takes?”

In addition, some noted that private funding of online courses had been able to build solid businesses selling to districts directly. If online learning is growing organically through this path, then why, they asked, should there be a policy that allowed funding to follow the student? There were many answers to these questions. One was based on equity: ensuring that all students, especially those in urban and small rural districts, would have access to learning opportunities. For example, roughly 1 million high-school students in California—about 50 percent of the state’s high-school student population—attend schools where they don’t have access to the full slate of courses required for entrance to University of California and California State University schools. Without the ability for funding to follow students so they can take the online courses that they need to gain admission to these schools, there is no sign of another fix coming anytime soon, particularly given the state’s budget woes and the discrepancies of funding levels from district to district, which affects the willingness of online course providers to partner with some districts. Participants also suggested that in states where funding could follow the student down to the course level, districts had far more incentive to innovate and create partnerships with various providers to bolster their offerings.

The policy road ahead may be more difficult than many digital learning advocates assume. The ability of one-size-fits-all legislation for all states to solve this may be more of a pipe dream than many have hoped.
We have for the first time tracked the impact of a voucher program all the way from kindergarten (in 1997) to college enrollment (in 2011). Our study compared students who won a voucher lottery with students who didn’t—the only difference between the groups was the luck of the draw, the gold standard in research design.

The study shows that an African American student who was able to use a voucher to attend a private school was 24 percent more likely to enroll in college than an African American student who didn’t win a voucher lottery.

The voucher program took place in New York City. Its impetus came in 1996, when Archbishop John J. O’Connor invited New York City schools chancellor Rudy Crew to “send the city’s most troubled public school students to Catholic schools.” When Mayor Rudolph Giuliani attempted to fund the initiative out of city funds, he encountered strong opposition from those who saw it as a violation of the First Amendment’s establishment clause (an argument subsequently rejected by the Supreme Court in other cases). As the controversy raged, a group of private philanthropists—including prominent Wall Street figures Bruce Kovner, Roger Hertog and Peter Flanigan—created the New York School Choice Scholarships Foundation.

The foundation offered three-year scholarships—that is, vouchers—worth up to $1,400 annually (in 1998 dollars) to approximately 1,000 low-income families with children of elementary-school age. A recipient could attend any of the hundreds of private schools, religious or secular, in New York City. The city’s largest provider of private schooling was the Catholic archdiocese, which reported average tuition at the time of $1,728 per year. Total expenditures at these schools, from all revenue sources, came to $2,400 per pupil (compared to total costs of more than $5,000 per pupil in the public schools). More than 20,000 applicants participated in the lottery.

Of the 2,666 students in the original study, necessary information was available for more than 99 percent. To see whether those who won the lottery were more likely to go to college, we linked student identifying characteristics to college enrollment data available from the National Student Clearinghouse, which collects that information from institutions of higher education attended by 96 percent of all U.S. students.

Although our study identified no significant impact on college enrollments among Hispanic students, the impact on African American students was large. Not only were part-time and full-time college enrollment together up 24 percent, but full-time enrollment increased 31 percent and attendance at selective colleges (enrolling students with average SAT scores of 1100 or higher) more than doubled, to 8 percent from 3 percent.

These impacts are especially striking given the modest costs of the intervention: only $4,200 per pupil over a three-year period. This implies that the government would actually save money if it introduced a similar voucher program, as private-school costs are lower than public-school costs.

The difference in the effects for African American and Hispanic students is probably due to the greater educational challenges faced by the African Americans. Only 36 percent of them went to college if they didn’t receive a voucher, compared to 45 percent of the Hispanic students.

“I have an 8-year-old in third grade, and she’s doing great. It’s miraculous the way she has changed,” said a voucher-winning African American mother at a focus group session in 1999. The cause of the change was clear. It came from the power of parental choice in education. It wasn’t “miraculous”—unless you happen to be one of the parents directly involved.

Reforming the Early Years of Schooling

Third Graders Benefit from Grade Retention By Martin R. West and Guido Schwerdt

Florida policy of retaining third-graders based on state standardized test scores has a positive long-term impact on those students, according to the study The Effects of Test-based Retention on Student Outcomes over Time, by Martin R. West and Guido Schwerdt.

Retention only works when the students who are held back are provided with extra instruction and the money to fund those programs, according to Harvard University researcher Martin R. West.

Retained students outperform classmates who barely made the cut on test scores. Those gains are provided with extra instruction and the

By Martin R. West and Guido Schwerdt

A PEPG study of statewide data from all Florida public schools finds that moving to a middle school in grade 6 or 7 causes a substantial drop in student test scores relative to those of students who remain in K–8 schools, and increases the likelihood of their dropping out of high school.

Data on state math and reading test scores for all Florida students attending public schools in grades 3 to 10 from the 2000–01 through 2008–09 years were analyzed. The researchers also conducted a test-score analysis separately for schools in Miami-Dade County, which is Florida’s largest district (345,000 students) and offers a wide range of grade configurations up through grade 8. They find that “the negative effects of entering a middle school for grade 6 or grade 7 are, if anything, even more pronounced in Miami-Dade County than they are statewide.”

The negative effects of entering a middle school are somewhat smaller outside of urban districts, but they remain substantial even in rural areas. Among student subgroups, the study finds that black students suffer larger drops both at

The Middle School

in 2010, the Charlotte-Mecklenburg (North Carolina) school district shut down four of its eight middle schools, opting to serve students in elementary schools spread across nine K-8 campuses. Through grade 6, these schools do exceedingly well in the beginning, but their achievement levels fall sharply in subsequent years.

The authors argue that the advantage of holding students back is that it catches students who would eventually level off in subsequent years. Retained students outperform classmates who barely made the cut on test scores. Those gains are

The drops in achievement we observe for students entering middle schools amount to between 3.5 and 7 months of expected learning over the 10-month school year.

and following the transition to middle school; there are only insignificant differences in effects for students of different ethnicities in reading.

Principal surveys indicate that aspects of school climate, such as safety and order, are worse in Florida middle schools than in K–8 schools. The authors surmise that students in grades 6–8 as safety and order, are worse in Florida middle schools than in K–8 schools. The authors surmise that students in grades 6–8
Education Next After 12 Years

A Journal of Opinion and Research

Now entering its 13th year of publication, PEPG’s quarterly journal, Education Next, a journal of opinion and research, continues to shape policy discussions and legislative initiatives. In early 2012, it provided the first lay-friendly account of a major study by Raj Chetty and his colleagues that shows the large impact high-quality principals can have on student performance. In addition, the journal provided extensive coverage of debates over teacher evaluations, teacher compensation, teacher pensions, and teacher organizations.

Other provocative essays included:

1) A nationwide study of examination schools by Chester Finn and Jessica Hockett, who surveyed all public schools in the United States that require high performance on an entrance examination before matriculation. (Exam schools serve a diverse population; white students constitute less than half the total.)

2) A comparison conducted by Jay Greene and colleagues of school performance in every U.S. school district with schools internationally. (Many schools thought to be of high quality turn out to be mediocre when measured by international standards.)

3) Josh Goodman showed that it’s a good idea to require students to take algebra twice if they do not do well the first time.

4) A report on the appropriate federal role in education prepared by the Koret Task Force at the Hoover Institution, which recommended that the federal government provide parents with information and encourage greater school choice, but let local officials manage their schools free of federal regulation.

Just as the range and significance of the topics Education Next is broadening, its audience continues to grow. As the accompanying charts show, the numbers coming to its website are increasing rapidly. In the last two years, the number of unique visitors more than doubled. In the twelve-month period ending on October 31, 2012, the site had more than 600,000 unique visitors, a 37 percent increase over the preceding period. Total visits came to 800,000, and the number of website pages viewed climbed to more than 1,200,000.

Recently, the website was made more “mobile-friendly” so that information is displayed in roughly the same way on the mobile site as it is on a personal computer. The display “resizes” itself to fit smartphones, tablets, mini-tablets, or whatever portable reading device people use. Even before introducing this change, the increase in viewing from mobile sites has shifted upward so that by late 2012 nearly 20 percent of its page views were by mobile users. That percentage is expected to grow rapidly now that the site is well adapted to these devices. Coverage in the higher-quality outlets within the mainstream media also escalated in 2012, jumping from 4 articles per issue of the journal in 2011 to 16 articles per issue in 2012. Also, those who write blogs are covering Education Next articles more frequently than ever before. (For details, see accompanying figures.)

Our Twitter site growth has also been dramatic. The number of followers has nearly tripled over the course of the past two years so that by the end of November 2012 more than 28,000 individuals were following our tweets. Education Next’s Klout score, an indicator of the extent to which people are using our site as a source of information, climbed from 51 in 2011 to 79 in November 2012, placing it as high as fifth among the country’s top twitter sites covering education topics.
By Eric A. Hanushek and Paul E. Peterson

**Globally Challenged:** Are U.S. Students Ready to Compete?
The latest on each state’s international standing in math and reading by Eric A. Hanushek, Ludger Woessmann, and Carlos X. Lastra-Anadón

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"Globally Challenged" identified the mediocre standing of U.S. students as compared to those in other countries.

**By Joel L. Klein, Former Schools Chancellor, New York City**

Recent Gains Are Smaller Than in 24 Other Countries

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Why Can’t American Students Compete with the Rest of the World?

By Eric A. Hanushek and Paul E. Peterson

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Only 32% of U.S. Students Are Proficient in Math

**Carlos X. Lastra-Anadón**

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By Eric A. Hanushek and Paul E. Peterson

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As all schoolchildren know, water freezes at 32 degrees Fahrenheit. So maybe it is more than a mere coincidence that 32 percent of U.S. public- and private-school students in the class of 2011 are deemed proficient in mathematics, placing the United States 32nd among the 65 political jurisdictions that participated in the latest international tests administered by the Organisation for Economic Co-operation and Development (OECD). The United States ranks between Portugal and Italy and far behind South Korea, Finland, Canada, and the Netherlands, to say nothing of the city of Shanghai, with its 75 percent proficiency rate.

We became aware of the seriousness of the problem after we were approached by Ludger Woessmann and Carlos Xabel Lastra-Anadón, the test scores of the class of 2011 on an international test when this class was in 10th grade, with its prior eighth-grade scores on the National Assessment of Educational Progress (NAEP), an official U.S. test that both assesses performance of U.S. students and sets the standard for “proficiency.”

Linking these tests also allowed us to compare the performance of students in each state with that of students in other countries. The results are scary. Even in Massachusetts, with its renowned collection of public and private schools, students reach only the level attained by students in the entire nations of Canada, Finland, Japan, and Singapore. With an eighth-grade average score of 495, the Massachusetts students were nonetheless still behind the median score of the other countries. The same was true for all the students in the country. The only positive sign is the majority of Asian students in the United States (52 percent) who score at or above the proficiency level.

But the United States is not doing any better by its very best students than by the rest of them. Only 7 percent of U.S. students perform at the advanced level in math, putting the country behind 25 other nations. Of course, this is no surprise to those who have fought for eight years to improve our country’s education system. But the United States is running behind the advanced level in math, putting the country significantly behind 25 other nations. Forty-five percent of the students in Shanghai are advanced in math, as are 20 percent in South Korea and Switzerland. Fifteen percent of the students score at or above the advanced level in six other key countries: Japan, Belgium, Finland, the Netherlands, New Zealand, and Canada.

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Only 7 percent of U.S. students perform at the advanced level in math, putting the country behind 25 other nations.

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**Students in Latvia, Chile, and Brazil are improving at an annual rate nearly three times that of the U.S.**

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Just when you thought we’d reached a consensus on the need to dramatically improve America’s schools, a chorus of public and private schools, students and sets the standard for “proficiency.”

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Report prepared by Eric A. Hanushek, Hoover Institution; Paul E. Peterson, Harvard University; and Ludger Woessmann, University of Mannheim.

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By Joel L. Klein, Former Schools Chancellor, New York City

Recent Gains Are Smaller Than in 24 Other Countries

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**Students in Latvia, Chile, and Brazil are improving at an annual rate nearly three times that of the U.S.**

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Learning from international experience can be a bit like reading tea leaves: people are tempted to see in the patterns whatever they think they should see. But for all the hazards associated with drawing on international experience, the greatest risk lies in ignoring such information altogether. Steadfastly insisting that the United States is unique and that nothing is to be learned from other lands might appeal to those on the campaign trail. But it is a perilous course of action for those who wish to understand—and improve—the state of American education. If nothing else, reflection on international experience encourages one to think more carefully about practices and proposals at home. It is not so much specific answers that come from conversing with educators from around the world, as it is gaining some intellectual humility. Such conversations provide opportunities to learn the multiple ways in which common questions are posed and answered, and to consider how policies that have proved successful elsewhere might be adapted to the unique context of U.S. education.

That, perhaps, is the most important contribution of the August 2011 conference on “Learning from the International Experience,” and the August 2012 conference on “Learning from Improving School Systems at Home and Abroad.” Many who attended said the conferences had sparked conversations well beyond the usual boundaries on thinking about U.S. education policy, whether the issue was teacher reforms, school choice, the development of common standards and school accountability, or the promise of learning online.

Excerpted from a feature article in Education Next, Winter 2012.
Reform Agenda Gains Strength While Teacher Unions Have a Popularity Problem

By Paul E. Peterson, William Howell, and Martin R. West

However Wisconsin’s recall election turns out on Tuesday, teacher unions already appear to be losing a larger political fight—in public opinion. In our latest annual national survey, we found that the share of the public with a positive view of union impact on local schools has dropped by seven percentage points in the past year. Among teachers, the decline was an even more remarkable 16 points.

“We have asked the following question since 2009: “Some people say that teacher unions are a stumbling block to school reform. Others say that unions fight for better schools and better teachers. What do you think? Do you think teacher unions have a generally positive effect on schools, or do you think they have a generally negative effect?”

Respondents can choose among five options: very positive, somewhat positive, neither positive nor negative, somewhat negative, and very negative.

In our polls from 2009 to 2011, we saw little change in public opinion. Around 40 percent of respondents were neutral, saying that unions had neither a positive nor a negative impact. The remainder divided almost evenly, with the negative share being barely greater than the positive.

But this year, unions lost ground. While 41 percent of the public still takes the neutral position, those with a positive view of unions dropped to 22 percent in 2012 from 29 percent in 2011. Political campaigns may already have noticed this shift. In a recent address on education, GOP presidential candidate Mitt Romney called teacher unions “the clearest example of a group that has lost its way.”

The survey’s most striking finding comes from its nationally representative sample of teachers. Whereas 58 percent of teachers took a positive view of unions in 2011, only 43 percent do in 2012. The number of teachers holding negative views of unions nearly doubled to 32 percent from 17 percent last year. Perhaps this helps explain why, according to education journalist and union watchdog Mike Antonucci, top officials of the National Education Association are reporting a decline of 150,000 members over the past two years and that project will lose 200,000 more members by 2014, as several states have recently passed laws ending the automatic deduction of union dues from teachers’ paychecks.

Teachers increasingly critical stance toward their unions could have multiple causes. With unions on the defensive in state legislatures—on pension and medical benefits, evaluation systems and collective bargaining itself—some teachers may be concerned that unions aren’t fighting hard enough for their interests. Others may be coming to the conclusion that unions are standing in the way of education reform.


Findings from the Sixth Annual Public Opinion Survey

Support for increased spending on local public schools is sharply lower among respondents informed about current spending levels—and lower still among those asked about taxes to support local public schools.

When more options are available, less than half of the public expresses “a lot of trust and confidence” in our nation’s teachers.

Vouchers garner substantial support, but tax credit-funded scholarships draw even more.

Hispanics give higher marks to our nation’s schools than do other groups. Students are often given the grades A, B, C, D, and F. and fail to denote the quality of their work. Suppose the public schools themselves were graded in the same way. What grade would you give the public schools in the nation as a whole?

When more options are available, less than half of the public expresses “a lot of trust and confidence” in our nation’s teachers.

Do you have trust and confidence in the men and women who are teaching children in the public schools?

How much trust and confidence do you have in the men and women who are teaching children in the public schools?

VI 2012 EducationNext/PEPG Survey of Public Opinion

A proposal has been made that would give low-income families with children in public schools a wider choice, by allowing them to enroll their children in private schools instead with government helping to pay the tuition. Would you favor or oppose this proposal?

Another proposal has been made to offer a tax credit for individual and corporate donations that pay for scholarships to help low-income parents send their children to private schools. Would you favor or oppose such a proposal?
The Global Debt Crisis

By Paul E. Peterson and Daniel Nadler

Nationwide, state debt is running around $3 trillion. If unfunded pension liabilities are factored in, estimated liabilities leap forward by another $1 trillion to $4 trillion, depending on the optimism of the assumptions made.

The bond market has taken notice. Before the 2008 financial crisis, state sovereign debt was just about the safest place to invest. Because investors did not pay taxes on the interest, states were able to borrow money at rates below those paid for federal securities. With the onset of the financial crisis, not only did borrowing costs rise across the board, but differences in interest rates among states widened dramatically. Bond holders concluded that some states, like Greece, had been extraordinarily profligate, and, even worse, lacked the will to rein in their expenditures.

Specifically, a 20 percentage-point increase in either the Democratic share of the state legislature or a comparable increase in the share of the public workforce that is unionized drives up interest rates by nearly one half of a percentage point on a five-year security note. That amount is material. In Obama’s home state of Illinois, it is costing governments over $700 million annually.

The impact of these political factors on interest rates is in addition to the impact of standard economic factors. State bankruptcies date back to the 1840s when, amid a financial crisis, Pennsylvania, Michigan, Illinois, and five other states discovered they had invested too heavily in infrastructure. But overall, the instances were few; in each case, the federal government refused to come up with a fix.

Bankrupt states paid the price, but for the country as a whole, a system of fiscally sovereign states has proven incredibly beneficial to the nation’s economic well-being. Every state is responsible for its own police, fire, schools, transport, and much more, and most of the time they do reasonably well. If they manage their affairs so as to attract business, commerce and talented workers, states prosper. If states make a mess of things, citizens and businesses vote with their feet, marching off to a part of the country that works better.

Federal fiscal bailouts put our federal system at risk. In essence, the national government is acting as if states are too big to fail. In the next financial crisis, the federal government may decide that states need to be treated like General Motors.

But if the federal government is going to tacitly assume responsibility for state debts, then those $3 trillion in sovereign state debt must be added to the $14 trillion national debt that has already caused grave concern, pushing the current U.S. debt into the danger zone. Even if pension liabilities are ignored, the combined federal-state-local debt runs in excess of 120 percent of GDP.

Excerpted from a point essay which appeared in the Wall Street Journal on September 15, 2011. It provided the focal point for the federalism conference.

Scholars gathered at Harvard under PEPG auspices in August 2012 to prepare a full-scale study of the debt crises within federal systems in the United States and Europe.

With the onset of the financial crisis, not only did borrowing costs rise across the board, but differences in interest rates among states widened dramatically.