Politics and Education Graduate Student Journal

Papers Presented on April 29th, 2005
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Cyber and Home School Charter Schools:
Adopting Policy to New Forms of Public Schooling

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Abstract

Cyber and home school charter schools have silently become a prominent part of the charter school movement. These alternative school models differ from conventional schools by relying on parents and the internet to deliver much of their curriculum and instruction, while minimizing the use of personnel and physical facilities. This paper examines how recent developments in California and Pennsylvania have resulted in public scrutiny of cyber and home school charters and led to considerable debate and demands for public accountability. Our findings outline the need to modify regulatory frameworks to accommodate cyber and home school charters, the consideration of the differing financial allocations for schools that operate with reduced personnel and facilities, and the division of financial responsibility between state and local educational agencies.

Introduction

Cyber and home school charter schools are quietly gaining momentum across the country and have begun to challenge traditional definitions of public schooling by delivering instruction from beyond the classroom walls of a traditional “brick and mortar” school house. Collectively termed nonclassroom-based charters, this phenomenon has emerged from within a wider charter school movement, which has demonstrated dynamic growth and yielded a 40% increase in enrollment over the last 5 years, from 1999-2003. At present 3,200 charter schools in 40 states and the District of Columbia serve over 684,000 students (Center of Education Reform, 2004). A contributing factor to the increasing enrollment statistics is the growth of nonclassroom-based charter schools. Over the last 5 years an estimated 60 cyber charters have come on-line in 15 states and currently account for 2% of the national charter school student population, while serving 16,000 students (Center for Education Reform, 2004). Add to the above figure the 52,000 students enrolled in home school charters in California and Alaska, and the total enrollment of nonclassroom-based charters increases to 10% of the national charter school student population.

Similar to traditional charter schools, cyber and home school charters are independent public schools created through formal agreement with a state or local sponsoring agency. Each
school is designed and operated by parents, community members, and entrepreneurs, and allowed to operate free from most state and local regulations governing schools—including, staffing, curriculum, school calendar, resource allocation, governance, and school/classroom sizes (Bulkley & Fisler, 2003; Fuller, 2000; Finn, Manno & Vanoureck, 2000; RPP International, 2000; Mullholland & Bierlein, 1995; Geske, Davis & Hingle, 1997). What differentiates cyber and home school charters from traditional schooling models is the nonclassroom-based instruction which students receive outside the confines of a traditional school house setting. Instruction is delivered through alternative mediums, including: parents as primary instruction providers, computer-based instruction using pre-packaged software programs, and teacher directed distance learning or cyber learning where students receive either asynchronous or synchronous (real-time) instruction via the internet from a teacher or other instructor. Nonclassroom-based charters also differ from traditional charter schools in the type of students they enroll, serving primarily students who were previously privately home schooled, and drawing enrollment from wide catchment areas that cross district lines and may span an entire state.

While the autonomous nature of cyber and home school charters may seem even more decentralized from the limited public authority that governs traditional charter schools, nonclassroom-based charters are still aligned with the common precepts that have advanced the charter school movement. Like all charter schools, in exchange for increased autonomy cyber and home school charters are expected to promote and create new educational innovations, including new teaching and learning methodologies, new organizational and administrative structures, and new outcome-based and results oriented accountability programs. Yet, as cyber and home school charters continue to emerge, their sudden prominence may be quelled by policy
makers and educators who have begun asking whether these new nonclassroom-based schooling models have gone too far in defining what is both innovative and permissible within a public school system.

This paper seeks to illuminate how these alternative schooling models are developing within both the charter school movement and the larger public school community. Our primary focus will be in California and Pennsylvania, where recent public scrutiny of cyber and home school charters has prompted debate among policy makers, educators, and parents, and forced action to reconcile the objectives of an expanding school choice movement with the demands of public accountability. First, our analysis will discuss the salient policy issues that have surfaced in several states where nonclassroom-based charter schools are operating. In the second section, we will trace the emergence of cyber and home school charters and identify important distinctions between the two nonclassroom-based schooling models. In the third section, we present two case studies that include a comprehensive legal and regulatory analysis of recent legislative changes in California and Pennsylvania. The important legislative responses that have resulted from public debates in these states, have affected the daily operation of nonclassroom-based charter schools, and have challenged the viability of sustaining these alternative schooling models within the context of increased state accountability demands. The California and Pennsylvania contexts provide important lessons from which other states can learn. These lessons will help frame the policy recommendations which we outline in the fourth section of this paper.
Salient Policy Issues

To date, there has been little research that has focused on the issues that nonclassroom-based charter schools are raising.1 The lack of literature on this theme poses a challenge in analyzing the evolution of nonclassroom-based charters. However, as these schooling models have expanded, charter advocacy centers, research clearinghouses, and education associations have begun to weigh–in and publish policy reports outlining salient issues (see Education Commission of the States, 2003; McCluskey, 2002; American School Board Journal, 2002; Pennsylvania School Boards Association, 2001). Our analysis will draw upon these reports and other documents, as well as original data collected from interviews with state-level officials. In addition, this analysis draws from our comprehensive review of the existing 41 charter school laws which sought to determine whether statutes include language that expressly permits or prohibits nonclassroom-based schooling models, or whether laws remain vague on the issue.

We also draw from public news accounts in major newspapers that have investigated how nonclassroom-based schooling models are emerging. Recent articles have prompted swift and strong action from state legislatures, which have begun to adopt policies that monitor nonclassroom-based charter school models. Legislatures in California, Pennsylvania, Ohio and Wisconsin have recently addressed issues concerning the public oversight of nonclassroom-based instruction and adopted state-level policy changes aimed at increasing accountability. These states, and others that are sure to follow, will continue to be challenged in their attempts to better define the hazy lines of public accountability that have resulted from the devolution of public authority under the charter school model.

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1 For a descriptive case study of a home school charter in California see Huerta (2000). Recent work from RAND (Zimmer et al., 2003) provides some general data of home school charters in California, including school performance data. For a recent comprehensive evaluation of cyber schools in Pennsylvania see (KPMG, 2001). Additional studies have briefly examined the operations of cyber or home school charters (Miron, Nelson & Risley, 2002; Miron & Nelson, 2000; UCLA, 1999). However, to date, there is no comprehensive research study that has examined a wide sample of cyber or home school charters.
The public and legislative debates that have surfaced in California and Pennsylvania have been prompted in part by widely publicized accounts in policy reports and newspapers, that have reported on the questionable practices of some cyber and home school charters. The size and scope of cyber and home school charters in California and Pennsylvania are important to understanding the volatile debates that have surfaced. Currently, California operates the most home school charters, numbering 119 and serving nearly 50,000 students—31% of operating charters and 30% of the state charter school student population (California Department of Education, 2003b). Pennsylvania has the most cyber schools with 8 schools in operation, serving nearly 4,700 students—8% of operating charters and 13% of the state charter school student population (Pennsylvania Department of Education, 2003). Reports have detailed the mismanagement of public funds including profiteering and the withholding of services from students; questionable accountability practices that result in minimal oversight of teaching and learning processes; and borderless student enrollment zones that create both fiscal and accountability challenges for the resident districts of transferring students.

For example, in northern California a recent report described how the operators of a home school charter charged their school a management fee of 37.5%, which amounted to a profit of over $500,000 from the $1.4 million in state revenue received by the school (Asimov, 2001a). In Pennsylvania, several reports have detailed how the state’s largest cyber charter serving 2,700 students, was accused by parents of withholding services and materials, including computers, Internet access and learning materials (the basic tools for a virtual schooling model). The complaints prompted an investigation led by the Office of the State Secretary of Education, that later resulted in the school closing when the local sponsoring district revoked its charter (American School Board Journal, 2001; KPMG, 2001; Raffeale, 2002; Hendrie, 2003). Further,
the actions of local school districts have also spurred controversy. In Pennsylvania, reports detailed how school districts across the state refused to forward tuition payments (per-pupil funding allotments) to cyber charters (Pennsylvania School Boards Association, 2001; KPMG, 2001; Chute, 2001; Chute & Elizabeth, 2001; Trotter, 2001). The districts claimed that they should not have to pay for students who reside within their boundaries, but enroll in schools outside the district and thus out of their direct charge. These actions led to the near insolvency of several cyber charters, and prompted the state to withhold aid from local districts that refused to send tuition payments to cyber charters. What resulted was legal action and a statewide debate concerning who is ultimately responsible for funding cyber charter students.

These issues have prompted states to begin creating new policies that explicitly define nonclassroom-based schooling models and account for how cyber and home school charter schools will be held accountable under the public purview. The salient issues that have emerged include:

• **Determining per-pupil funding for nonclassroom-based charter schools**

  Considering that facilities, staffing, and transportation costs are considerably lower for a student in a nonclassroom-based setting, state officials and educators are debating whether cyber or home school charters merit per-pupil payments equal to traditional schools.

• **Establishing accountability measures of student performance and program quality**

  A nonclassroom-based charter school setting makes monitoring student performance and educational program quality, both difficult and costly. Reliance on parents as the primary instruction providers, as well as parent and student self-reporting of instructional progress, poses challenges in authenticating students’ work and in measuring program quality.

• **Defining enrollment boundaries and funding responsibilities**
Cyber and home school charters enroll students from across wide geographic boundaries, crossing district enrollment zones and spanning across an entire state. What results is an accountability challenge in determining whether the host district, or the student’s resident district, is ultimately responsible for oversight and funding of a student’s education.

- **Monitoring the influx of traditional home schoolers who are new to public education**

Cyber and home school charters are predominantly serving students who were previously home schooled in a traditional private home school setting. The large influx of students new to the public school roles has resulted in an unexpected need for additional funding to meet the demands of the large enrollment growth.

These issues will be the focus of our analysis of nonclassroom-based charters in California and Pennsylvania. Our policy recommendations, outlined in the final section, will provide strategies for addressing these important issues.

**Defining Cyber and Home School Charters**

The rapid expansion of nonclassroom-based charters has surpassed the ability of states to address important policy issues linked to the oversight, standards and accountability models needed to govern these non-traditional public schools. Several states have worked to create statutes that define nonclassroom-based charter schools. However, nonclassroom-based charters have surfaced in other states where both charter law and general education statues do not expressly permit the schools to operate.² For example, only 10 of the 15 states in which cyber

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² The vague or non-explicit language pertaining to the operation of nonclassroom-based charters in both charter and general education statutes, has been interpreted by some charter operators to mean that nonclassroom-based charters are permissible until statutes say otherwise.
charters operate explicitly allow for cyber charters in state education statutes. Interestingly, home-based or home school charters are prohibited in 4 of the 10 states (Pennsylvania, Colorado, Minnesota, Nevada) where cyber charters are permissible. In addition, 27 of the 41 existing charter school laws, explicitly prohibit home school charters, and only two (California and Alaska) explicitly permit home school charters. These legislative responses begin to reveal that some states are drawing distinctions between a home school and a cyber charter school.

As nonclassroom-based charters expand to other states, policy makers will need to identify the teaching and learning, organizational and governance models employed by nonclassroom-based charters, and address how they fit within the existing definitions of what is permissible under both charter legislation and general state education statutes. States that draw generic or loose definitions of nonclassroom-based schooling models will be limited by vague or unclear expectations for both accountability in teaching and learning, and the oversight of how public funds are utilized.

**Distinctions: Home School Charter Schools**

A principal distinction between cyber and home school charters is who delivers instruction, how it is delivered, and where it is delivered. In the home school charter model, parents are the primary instruction providers, while teachers serve as education consultants or coordinators. Lessons created by parents, or at times created with assistance from curriculum packages or in consultation with charter school teachers, is delivered directly to students by their parents. However, home school charter students may participate in teacher or paraprofessional

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3 The 10 states which have explicitly deemed cyber charter schools permissible are: Alaska, Arizona (pilot program), California, Colorado, Idaho, Nevada, Minnesota, Pennsylvania, Ohio, and Texas (pilot program). Cyber charters also operate in Kansas, Hawaii, Florida, New Mexico and Wisconsin (Education Week, 2002).

4 The remaining 14 states are vague in terms of explicitly prohibiting or permitting the operation of home-based charter schools. This data was derived from careful review of the 41 charter school laws, and in some cases a review of general education statutes as well.
directed lessons at school resource centers. Formal lessons are common in science instruction, both because parents may lack expertise in the subject, and because it is not economically feasible to provide all families with expensive equipment. Formal lessons are also common in extra-curricular courses such as music, art, physical education, carpentry, and other subject areas. Resource centers are also used for computer laboratories, tutoring centers, and parent-teacher conferences, but primarily serve as stock rooms for the vast curriculum libraries and equipment collection that is provided to home school charter families.

**Distinctions: Cyber Charter Schools**

In contrast, cyber charter school students rely primarily on computer-based learning and receive their instruction either synchronously or asynchronously. Synchronous instruction is delivered through the internet in a real-time virtual classroom environment by a teacher or paraprofessional who guides students through instructional units. In most cases, students can communicate directly with the teacher and other students during lessons and may ask questions and participate in interactive discussions. However, synchronous instruction demands expensive technology and teacher resources, making it the least common model for delivering instruction. Asynchronous instructional delivery is more widely used among cyber charters, usually in the form of pre-recorded lessons created by a third-party curriculum provider. This instructional model often utilizes pre-packaged curriculum delivered via software packages, and students work at their own pace while completing assigned tasks and assessments. In some cases, students attend resource centers where they participate in teacher-led lessons and then complete tasks on a

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5 The use of paraprofessionals to assist home school families in a variety of core subject areas as well as extra-curricular activities is also a common offering to families. For example, Horizon Instructional Systems, one of the state’s largest home school charters serving over 3,400 students, contracts with paraprofessionals who provide instruction in over 1,000 supplementary classes for students and families (Gaschler, 2000).

6 In their comprehensive study of cyber charters in Pennsylvania, KPMG (2001) found that “the vast majority of online instruction is asynchronous, that is, students work independently at their own pace” (p.4).
computer, but the majority of instruction is accessed from a student’s home setting. As with home school charters, resource centers are also used for proctored testing, parent-teacher conferences, and as curriculum and equipment stock rooms.

Despite identifiable differences, cyber and home school charters can be challenging to differentiate in practice. In Table 1 we outline four criteria—teaching and learning delivery, organizational model, governance structure, and accountability mechanisms—that will be helpful for policy makers to address in drafting or evaluating charter school legislation. Crafting policy without specific language that accounts for each criterion may result in loopholes that fail to draw distinctions between nonclassroom-based schooling models and undermine legislative goals.

Perhaps of most concern to policy makers, is that little variation currently exists in how the two nonclassroom-based schooling models are held accountable. Families are generally required to communicate via email, telephone or in-person with school officials (depending on school or state regulations), provide progress reports on the student’s academic work, including work samples, and maintain a log of instructional hours that are used for attendance reporting. These limited assessments do not scrutinize school design, but rather blur the acute distinctions
### Table 1: Defining Cyber and Home School Charter Schools

<table>
<thead>
<tr>
<th>Teaching and Learning</th>
<th>Primary Source</th>
<th>Supplemental Sources</th>
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<tbody>
<tr>
<td><strong>Home school Charters</strong></td>
<td>Parents</td>
<td>Resource centers, Third party curriculum, Paraprofessionals, Computer software, Support groups, Library, Tutors</td>
</tr>
<tr>
<td><strong>Cyber Charters</strong></td>
<td>Computer software</td>
<td>Third party curriculum, External teacher (synchronously or asynchronously)</td>
</tr>
<tr>
<td><strong>Traditional Schools</strong></td>
<td>Teachers</td>
<td>Directed classroom instruction</td>
</tr>
</tbody>
</table>

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<tr>
<th>Organizational Model</th>
<th>Primary Sources</th>
<th>Supplemental Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Home school Charters</strong></td>
<td>Home-based setting</td>
<td>Parents, Teachers, Resource centers, Paraprofessionals, Library, Tutors</td>
</tr>
<tr>
<td><strong>Cyber Charters</strong></td>
<td>Varied educational setting (Minimal site-based learning)</td>
<td>Computer-based instruction, Tailored mass curriculum, Information/dissemination based pedagogy, Parent/Teacher oversight, Peer Involvement (varied)</td>
</tr>
<tr>
<td><strong>Traditional Schools</strong></td>
<td>Defined classroom-based educational setting</td>
<td>Classroom directed instruction, Mass curriculum, Group/cooperative-based pedagogy, Teacher and administrative oversight, Peer involvement mandatory</td>
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</tbody>
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<tr>
<th>Governance</th>
<th>Immediate Authority</th>
<th>Ultimate Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Home school Charters</strong></td>
<td>Parents</td>
<td>Charter school board, Charter granting agency, State regulatory agency</td>
</tr>
<tr>
<td><strong>Cyber Charters</strong></td>
<td>Cyber School</td>
<td>Charter school board</td>
</tr>
<tr>
<td><strong>Traditional Schools</strong></td>
<td>Teachers</td>
<td>Superintendent/district</td>
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</tbody>
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<thead>
<tr>
<th>Accountability</th>
<th>Immediate Authority</th>
<th>Ultimate Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Home school Charters</strong></td>
<td>Fiscal, Charter granting agency, Achievement testing (if required), Market driven parental choice</td>
<td>Regulatory/Rule-based, Fiscal, Student attendance, Achievement testing, District oversight</td>
</tr>
<tr>
<td><strong>Cyber Charters</strong></td>
<td>Fiscal, Charter granting agency, Achievement testing (if required)</td>
<td></td>
</tr>
<tr>
<td><strong>Traditional Schools</strong></td>
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that exist between cyber and home school charters, and highlight the need to expand accountability measures in nonclassroom-based schools.

In the following section, our analysis will focus on how schools are serving students in their nonclassroom-based settings, and review the recent legislative changes aimed at advancing stricter accountability of nonclassroom-based charters in California and Pennsylvania. The analysis of evidence from each state will provide the context for the policy recommendations which we advance in the final section.

**California’s Home School Charter Schools**

Home school charters emerged shortly after the California Charter Schools Act was enacted in 1992.7 Within two years, 25% of the first 50 schools granted a charter were operating home school programs.8 As home school charters became prominent, debate sparked among state officials who argued whether promoting home schooling was an intended objective of the charter legislation (Little Hoover Commission, 1996).9 By 1997, the number of charter schools in California had reached 100, and home school charter students comprised nearly 50% of the 37,000 students enrolled in charter schools. The popularity of the home school charter model had swept through rural areas of California, where new schools served an eager audience of formerly private home school families.

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7 The California Charter Schools Act was enacted in 1992, and became effective January 1, 1993.

8 While a variety of modalities of instructional delivery were identified among early nonclassroom-based charter schools in California—including independent study, distance learning, correspondence—the vast majority of these schools were recruiting directly from the private home school ranks and advertising their instructional programs as home study or home schooling (Little Hoover Commission, 1996).

9 Early debates on nonclassroom-based charters were centered on reports of abuses by home school charters, including the direct disbursement of public funds and other “things of value” to parents, the promotion of religious instruction, profiteering by districts that sponsored home school charters, and enrollment of students from wide geographic regions spanning the entire state.
Traditional home school families flocked to the rich resources that accompanied the new publicly funded form of home schooling. Newly enrolled families were offered computers, curriculum, materials, instructional support, field trips and extra-curricular services. Further, the minimal accountability requirements of California’s highly decentralized charter school movement were an additional selling point that attracted traditional home schoolers who remained weary of aligning with a state entity.

**Expanding Definitions of Public Schooling**

From the onset home school charters functioned unlike public schools, because the primary role of teachers is not to teach, but to serve as education coordinators or consultants for enrolled families. In early research examining home school charters in California, one home school charter teacher emphasized that the fundamental role of a teacher was to equip parents to better instruct their children and “not act like we’re breathing down their neck or requiring production from them” (Huerta, 2000). In essence, the private schooling choices of families are being reinforced and expanded through offerings of a public school system that promises minimal government intrusion.

The minimal demands on teachers, and the deference to parents as primary instruction providers, meant that home school charters could service large amounts of students with minimal staffing ratios. Early in the movement it was not uncommon to see teacher-student ratios as high as 1 teacher for every 150 students (Huerta, 2000). While home school charters may offer classes for students and their families to attend together, the courses are not intended as a core learning experience, but rather to supplement the direct instruction children receive at home. One teacher explains how “our classes are enrichment only…to support what parents are already doing. So they [the parents] are really doing all the hard work at home” (Huerta, 2000, p.184).
Accountability Concerns Surface

As the home school charter model has evolved, some schools have adopted practices that have proven successful in sustaining a nonclassroom-based school. Effective models provide children with adequate learning materials and services, counsel families who are challenged by the demands of home schooling, assess student needs with input from parents, maintain amicable and cooperative working relationships with their sponsoring district, and foremost, recognize the balance between autonomy and oversight which home school families cherish. Yet even among successful programs, important issues over accountability have surfaced, challenging the viability of a publicly supported home schooling model.

Over time the accountability structures of home school charters have been questioned, specifically the ability of public officials to monitor the teaching and learning methods employed in private homes and whether public funds are being used efficiently. Oversight of instruction in the home school charter model is challenging, considering that participating families may reside hundreds of miles outside the sponsoring school district, and span wide geographic regions across both district and county lines. A common practice for home school charters is to operate satellite centers or annexes in regions where enrollment densities for their school are higher. Satellite centers are used as both office space for regional education coordinators (teachers) and as stock depots for books and other learning materials. Yet, while satellites place both a physical building and school staff closer to students, the level of oversight may not be affected since parents remain the primary instruction providers. Amidst public scrutiny, home school charters have responded by providing additional services and increasing oversight. Their responses have included offering more classes to families, requiring additional contact hours, increasing regular reviews of student work samples, and in some cases opening more satellite centers.
However, even as accountability is addressed at the school level, public officials in California remain skeptical of organizational and governance models that may lend themselves to profiteering by districts or by the non-profit and for-profit organizations that operate home school charters. Specifically, state officials have reasoned that the low overhead costs for operating a home school charter—inherent in the absence of brick and mortar facilities and the limited number of teachers and other services essential to traditional school settings—has resulted in a margin that invites profiteering by home school charter operators and their sponsoring districts. Since home school charters receive state per-pupil funding equivalent to that of traditional public schools, officials have questioned how surplus revenues (money associated with the costs of operating a traditional school setting) are utilized. Home school charters have responded by emphasizing that creating an infrastructure to serve home-based students demands new costs that are uncommon to brick and mortar schools, including computers, software, Internet access, curriculum, learning materials, and extra services that are provided to home school students.

Legislature Addresses Home School Charters’ Questionable Practices

Only 6 months after the charter legislation was enacted in 1992, Senator Gary Hart, the author of California’s original charter school legislation, became aware of reports that several home school charters were offering parents cash payments and other gifts for enrolling in their school, as well as enrolling students who resided in districts hundreds of miles away from the home district which sponsored the charter (Hart, 1995). These early reports, and the subsequent

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10 For example, early in the movement, it was common for sponsoring districts to charge oversight fees to home school charters. It was reported that some fees were as high as 20% of per-pupil funding grants. This posed an important conflict of interest issue, where the entity which was responsible for holding the charter school accountable was ultimately profiting from the school it sponsored (see Huerta, 2000).

11 Early in the movement, several schools were disciplined by the State Department of Education for offering gifts or “freebies”—including VCRs, microwaves, cash payments and other material goods—to families who enrolled with home school charters. These illegal practices were addressed early in the movement in 1993 by SB 399, a bill which expressly prohibited such practices on behalf of schools serving independent study students (Little Hoover Commission, 1996).
actions taken by legislators, marked the beginning of a decade long debate to resolve how the state should hold home school charters accountable under the public purview.

This section will provide an analysis of regulatory changes over the last decade, that have aimed to define nonclassroom-based instruction and create legislative boundaries that increase accountability and oversight of home school charters. Box 1 provides a review of the legislative efforts designed to regulate and monitor home school charters, and is followed by a comprehensive review of SB 740—the latest and most aggressive attempt to curb the practices of home school charters.

**SB 740: Defining Classroom-based and Nonclassroom-based Schooling Models**

The introduction of SB 434, signed into law in July of 1999, announced a heightened awareness of the presence of home school charters in California. Such knowledge was fueled by a multitude of popular press articles that soon after appeared in newspapers throughout the state. The news articles provided detailed accounts of home school charter operations and served to better inform both citizens and lawmakers (see for example, Haddock & Seligman, 1999a, b; Blume, 2000; Asimov, 2001a, b, c). As awareness grew, so did the number of home school charter applications.

**Box 1. Legislative History of California Home School Charters**

- **Charter Schools Act (1992):** Permitted the creation and financing of charter schools. The law failed to provide explicit language to address home school charters, which lead to controversies over regulations and funding.

- **SB 399 (1995):** Sought to increase oversight of independent study programs, including home school charters, by limiting funding for independent study.

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12 A more thorough discussion on the legal and regulatory evolution of the California Charter Schools, is presented in an earlier draft of this paper. See Huerta & González (2004).

13 Independent study or correspondence programs allow students to work at their own pace completing assignments in a nonclassroom-based setting. The curriculum is provided by teachers who closely monitor students’ progress through regular communication.
programs to students in the home or adjacent county of a given program and preventing schools from offering enrollment incentives. The bill did not explicitly site “home study” thus allowing home school charters to evade the new restrictions.14

- **AB 544 (1998):** Early debate called for limiting ADA funding only to charter schools where primary instruction was provided in person by a certified teacher and employee of the school, but political compromises eliminated efforts to prohibit or restrict home school charters. The law lifted the statutory cap of 100 charter schools. The new regulations also required all charter schools to hire certificated teachers as well as all students enrolled in charter to participate in the state sponsored standardized testing program.15

- **SB 434 (1999):** To close existing loopholes, all charter schools are required to provide the same instructional minutes as public schools, maintain attendance records for audit, certify that all students participate in state testing, and comply with full independent study regulations. Adherence to full independent study regulations required home school charters to meet established student-teacher ratios and calculate the “time-value” of student work.16

- **SB 740 (2001):** Provides explicit definitions of what constitutes classroom-based and nonclassroom-based instruction. Further, the State Board of Education was granted authority to create new funding determinations for nonclassroom-based schools based on each school’s level of spending for teaching and learning services.

charters. By June of 2001, officials at the California Department of Education estimated there were 93 operating home school charters serving over 30,000 students, more then twice the

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14 Schools in California receive most of their state funding based on student Average Daily Attendance (ADA). ADA is equivalent to days of actual student attendance divided by the number of instruction days in a school year. A school district's basic per-pupil revenue limit (basic state aid excluding funds from supplemental categorical programs) is calculated according to student ADA. The original California Charter Schools Act did not stipulate a definition for “pupil in attendance,” nor did the law require students to receive direct or in-person instruction by a certificated teacher. In addition, enrollment boundaries were interpreted as unrestricted by specific language which read: “admission to a charter school shall not be determined according to the place of residence of the pupil, or his or her parent or guardian, within the state” [California Education Code § 47605 (d)]. These ambiguities would allow charter school operators to offer nonclassroom-based instruction without defining their instructional model as “independent study,” and without complying to enrollment boundary limitations set by independent study regulations.

15 Prior to AB 544, the California Charter Schools Act of 1992 required all charter schools to “meet the performance standards and conduct the pupil assessments” required of all schools in the state. However, when the California Learning Assessment System (CLAS) was eliminated in 1994, all public schools were left without an assessment program until late 1997 when the state adopted the Standardized Testing and Reporting (STAR) program. Because the original legislation had explicitly referred to CLAS as the official state assessment, AB 544 amended the original language and added new general language which would require charter schools to meet “any other statewide standards authorized in statute or pupil assessments applicable to pupils in non charter public schools” [see California Education Code § 47605 (c) (1)]. The new language was prompted by the fact that very few charter schools participated in the interim voluntary assessment program after 1994.

16 SB 434 changed apportionment credit from the traditional “seat time attendance” to apportionment based on “time value” of student work. Time value calculations are based on 3 factors: (a) weighing the objectives of an assignment given by a certified teacher, (b) the work submitted by students by specified due date, (c) and the judgment of a teacher who evaluates and calculates the time value of completed work. Together, these factors make-up an apportionment credit that is based on student work, rather then physical attendance.
number of schools that were operational only two years prior when SB 434 was approved (Asimov, 2001a). Thus, the increased awareness seemed to fuel the home school charter movement, despite the limitations imposed by SB 434.

However, the exposure also led to greater scrutiny from lawmakers, prompting yet another attempt to increase accountability and oversight of home school charters. Newspaper accounts continued to resonate with lawmakers and other state officials in Sacramento, and prompted the President of the California State Board of Education to draft a proposal urging lawmakers to take action against “fiscal shenanigans” (Asimov, 2001b). A new campaign emerged aimed at closing a loophole that allowed home school charter operators to keep portions of state aid given to schools for the purposes of funding teaching and learning related costs.17

Lawmakers responded immediately and began drafting SB 740, which intended to match funding for home school charters to proportional levels of direct spending on teaching and learning related costs.18 They emphasized that home school charters received the same amount of state money per-pupil, yet their low overhead costs associated with minimal facilities and teachers, left a wide margin from which unscrupulous operators could profit. In an attempt to eliminate profiteering and reduce funding levels commensurate with the reduced costs of providing a home-based educational program, the bill called for a 30% reduction in funding to be phased-in over 3 years, beginning with a mandatory 10% cut during the first year. However, as the bill made its way through legislative debate, compromises in the language were adopted.

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17 In 2001-02, the average expenditure per pupil in California was $6,683, which translates into an estimated $200.5 million in total funding for the estimated 30,000 students enrolled in home school charters (Legislative Analyst’s Office, 2003).

18 Senator Jack O’Connell, the state senator who sponsored SB 740, was explicit in explaining that the bill was prompted by earlier reports of alleged fraud by home school charters, but “the capper was the June 10 article in The Chronicle” which reported on the HomeSmartKids Charter School (Asimov, 2001c).
What resulted was new legislation that directly addressed vague language that had resulted from past amendments to the charter school law. Specifically, SB 740 provides explicit definitions of what constitutes classroom-based and nonclassroom-based instruction, and the types of nonclassroom-based instruction that must file for ADA apportionment in accordance with independent study statutes. Classroom-based instruction requires students to be under the direct supervision of a certificated school employee, offer at least 80% of instruction at a school site, and require attendance of all pupils at a school site. Nonclassroom-based instruction is defined as instruction that does not meet the minimum criteria of what constitutes classroom-based instruction, which “includes, but is not limited to, independent study, home study, work study, and distance learning and computer-based education” [see California Education Code, § 47612.5 (e)].

The State Board of Education deliberated for more than 6 months on the development of permanent regulations that would be used to evaluate both budgets and expenditures of home school charters. In May 2002, the Board announced new statutes that reduced funding allotments in accordance to SB 740 regulations. Funding reductions of up to 30% hinged on the percentage of a charter school’s “total public revenue” used for expenditures on “certificated staff salaries and benefits” and “instruction related services,” and would become progressively more stringent over time (see California Administrative Code of Regulations, Title V, § 11963.3). Specifically, for the 2002-03 school year, eligibility for full funding required home school charters to spend at least 50% of their total public revenue on certificated staff and salaries (see Table 2). Eligibility

19 The state defines “total public revenue” as “all federal revenue, less any Public Charter School Grant Program start-up, implementation, and dissemination grant funds; state revenue; and local revenue from in-lieu property taxes [see California Administrative Code of Regulations, Title V, § 11963.3 (c) (1) (C)]. In 2002-03, the average “total public revenue” for all schools in California was $6,684 per pupil (Legislative Analyst’s Office, 2003).

20 Prior to the full approval of permanent regulations for SB 740, the State Board of Education released emergency regulations in order to implement the law during the 2001-02 fiscal year. During the first year, cuts were limited to only 5% of total public revenue, and were based on whether a home school charter had expenditures of at least 50% on certificated staff salaries and benefits.
for 80% of full funding required an expenditure of 35-50% of total public revenue on certificated staff and salaries, and also required expenditures of at least 55% of total public revenues on instruction and related services. A total expenditure of less than 35% on certificated staff salaries and benefits and less than 55% on instruction and related services reduced funding to 70%, or less if additional circumstances warranted further reductions.

Table 2: 2002-03 Recommended Funding Levels for “Nonclassroom-Based Schools* (by school expenditure targets)

<table>
<thead>
<tr>
<th>Percent of “total public revenues” expended on certified staff salaries and benefits</th>
<th>70 Percent</th>
<th>80 Percent</th>
<th>Full Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;35 Percent, or 35 to 50 Percent, and &gt;/= 50 Percent</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percent of “total revenues” expended on instruction and related services</th>
<th>&lt;55 Percent</th>
<th>&gt;/= 55 Percent</th>
</tr>
</thead>
</table>

* Pursuant to California Administrative Code of Regulations, Title V, §11963.4
Source: Charter Schools Development Center (2002)

For 2003-04, the spending thresholds become more stringent and demand increased expenditures at each level. For full funding eligibility, a home school charter must spend at least 50% of total public revenues on certificated staff and salaries, as well as a minimum of 80% of “total revenue”\(^\text{21}\) on instruction and related services (see Table 3). In addition to the above criteria on expenditures, full funding also requires that a school maintain: (a) a pupil-teacher ratio that is no larger than that of the largest unified school district in the county in which the school operates, (b) a school-level conflict of interest policy, (c) and a listing of entities that receive $50,000 or more of a school’s total expenditures in a single fiscal year. Lastly, for the

\(^\text{21}\) The state defines “total revenue” as all revenue included in the definition of “total public revenue,” in addition to all federal Public Charter School Grant Program start-up, implementation, and dissemination grant funds, and other resources [see California Administrative Code of Regulations, Title V, § 11963.3 (c) (2)]. In 2002-03, the average “total revenue” for all schools in California was $9,216 per pupil (Legislative Analyst’s Office, 2003).
first time, the state now requires charter schools to submit their financial audits not only to their sponsoring authority, but also to the state.

Table 3: 2003-04 Recommended Funding Levels for Nonclassroom-Based” Schools*
(by school expenditure targets)

<table>
<thead>
<tr>
<th>Recommended Funding Level</th>
<th>No Funding</th>
<th>70 Percent</th>
<th>85 Percent</th>
<th>Full Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of “total public revenues” expended on certified staff salaries and benefits</td>
<td>&lt;40 Percent, or 40 to 50 Percent, and &gt;/= 50 Percent, and &gt;/= 50 Percent, and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of “total revenues” expended on instruction and related services</td>
<td>&lt;60 Percent 60 to 70 Percent 70 to 80 Percent &gt;80 Percent</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Pursuant to California Administrative Code of Regulations, Title V, § 11963.4
Source: Charter Schools Development Center (2002)

During the first round of funding determinations in the 2001-02 fiscal year, 53 of a total of 118 home school charters in California experienced a 5% reduction of their total funding.22 This figure revealed that nearly 45% of home school charters did not spend at least 50% of their total public revenues on certificated staff salaries and benefits. The funding reductions translated into an estimated $8.2 million in savings for the state (California Department of Education, 2003b). In the second round of funding determinations for the 2002-03 fiscal year, the number of schools receiving full funding increased to 91 out of a total 119 home school charters. Of the remaining 28 schools, 11 received funding determinations of 80% of total funding, 7 schools received 70% of total funding, and 10 schools experienced drastic funding cuts and received only

22 For the first time since the California Charter Schools Act first passed in 1992, the information required in the funding determination request would allow state officials to accurately account for the number of charter schools that were operating a nonclassroom-based instructional program, as well as the number of students they served. In the 2001-02 fiscal year there were 118 home school charter serving 42,684 students, and in the 2002-03 fiscal year the numbers increased to 19 home school charters serving 49,580 students (California Department of Education, 2003a). Prior to SB 740, there was no official accounting of this type of information.
60% of their total funding. The latest funding reductions amounted to an estimated $32 million in savings, a 400% increase over the first year reductions (California Department of Education, 2003c).

The impact of the recent funding cuts on home school charters is still not fully known. The drastic cuts encountered by some schools are certain to have a profound impact that may lead to closure. For those schools that have met the stringent regulations and have retained their full funding, it is unclear whether the new prescriptive expenditure guidelines, which demand a higher proportion of spending on teachers and instruction, will lead to better teaching and learning or increased accountability on the use of fiscal resources. Regardless, the descriptive expenditure information required of home school charters for their funding determinations provides a new school-level perspective of spending and budget data that has never been required or available for either charter or traditional schools. One state official explains how “these new regulations are closing the data gap that has existed among charter and traditional schools, and will be helpful for us to better understand the charter school movement” (C. Miller, personal communication, January 1, 2003). The presence of this new data may help researchers learn more about how home school charters use their revenue, and aid charter authorizers who can use the information to understand the operation of these schools and how to best hold them accountable.

**Pennsylvania’s Cyber Charter Schools**

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23 Recent school-level achievement data from California indicates that nonclassroom-based charters have “much lower adjusted test scores than either other charter schools or conventional public schools” (Zimmer et al., 2003, p.49). Zimmer et al. note that this data is limited in that the “analysis did not address the achievement of students receiving nonclassroom-based instruction outside the charter school setting” (p.49). However, this data is important because the accurate identification of all nonclassroom-based charters would not have been possible without new school-level data requirements stipulated in SB740.
With the passage of Act 22 in 1997, the Commonwealth of Pennsylvania became the 27th state to authorize charter school legislation. Only six charter schools were approved for operation during the law’s first year, but the number has grown steadily to 102 operating charter schools by 2003-2004 (Pennsylvania Department of Education, 2003). By law, all but sectarian and for-profit individuals or organizations can initiate a charter or convert an existing public school into a charter school. Further, only a local school district or group of districts were authorized to grant charters. Finally, Act 22 specifically prohibited the use of public funds for home schooling, but made no specific mention of cyber schools,\(^{24}\) nor did it include provisions or regulations specifically linked to the governance of cyber schools [see Pennsylvania Public School Code §1717-A (a)].

Unlike California, which has a decade long history of nonclassroom-based charter schools, the phenomenon is quite new to Pennsylvania. However, its short history has not kept local educators and parents from fully exploiting the decentralized freedoms offered to them under provisions of Act 22 or exploring innovative instructional delivery models that have challenged traditional definitions of public schooling. Pennsylvania possesses the highest concentration of cyber charters in the nation. Of the 102 charter schools in Pennsylvania, 8 operate as cyber schools serving over 4,700 students (13% of total charter school population). While the expansion of nonclassroom-based charters in Pennsylvania does not match the California experience—6 of the 8 cyber charters currently in operation did not begin until Fall of 2001 or after—the controversy that cyber charters have stirred has been equally prominent.

**Pioneering Cyber Charter Schools Stir Controversy**

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24 While not referring explicitly to cyber schools, Act 22 §1715-A(a) states that "nothing in this clause shall preclude the use of computer and satellite linkages for delivering instruction to students."
The first cyber charter to open in Pennsylvania was SusQ-Cyber Charter School, created by five districts in Northumberland County, located in northeastern Pennsylvania. The school opened in 1998 with the intent of serving “highly motivated, independent learners” by using technology to deliver personal educational programs for students (Pennsylvania Department of the Auditor General, 2001). The school did not set out to serve home school students or draw statewide enrollment.25 Instead, SusQ Cyber Charter School provides priority enrollment to students within the 13 districts served by the Central Susquehanna Intermediate Unit, and has not expanded its technology-based learning program beyond its self-imposed enrollment cap of 118 students.

SusQ Cyber Charter School remained the lone pioneer of cyber charters in Pennsylvania, until Fall of 2000, when Western Pennsylvania Cyber Charter School (WPCCS hereafter) opened its doors. The school quickly garnered attention among educators and policy makers alike. News that WPCCS was drawing enrollment from across the state and serving primarily traditional home school families set the school apart from all other public schools that existed in Pennsylvania. During the school’s first 2 months of operation, enrollment increased from an initial 250 students to over 500, surpassing the total population of traditional public school students in the Midland Borough District where the school operated (Reeves, 2001). In addition, over half of the students who enrolled, had been previously home schooled or attended a private school, and only 12 students resided in the Midland Borough District (Reeves, 2001; KPMG, 2001).

Upon enrolling at WPCCS, students were issued a personal computer, a printer, Internet access, pre-packaged curriculum in the form of computer software, and assigned a teacher

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25 In Fall of 2001, SusQ Cyber Charter School served 76 students in grades 9-12. Of the 76 students enrolled, only 2 had been previously home schooled, 1 had attended a private school, and 73 had attended a traditional public school (KPMG, 2001).
(recognized as a facilitator) who was required to make weekly contact with students via telephone (Reeves, 2001). The popularity of the cyber charter, stemming from the services and materials that it offered, spread quickly around the state and within 9 months of its opening enrollment had increased to over 1,100 students. While the organizational model, instructional delivery methods, and spike in enrollment of the cyber charter were certainly unorthodox for a public school program, a more important issue—student tuition payments—was the source of greatest controversy stirred by WPCCS.

Only months after opening WPCCS faced a funding crisis, when over 70% of the nearly 105 school districts from which it drew student enrollment refused to forward tuition payments to the school. In Pennsylvania, each student’s district of residence is required to forward per-pupil funding allotments to the student’s new school of choice. In this case, WPCCS had requested payments from 105 school districts for over 500 students who resided in 22 different counties throughout the state (Chute, 2001). School districts that lost student enrollment to WPCCS, were hard pressed to send their local per-pupil funding allotments to a cyber charter located outside of their district.26 What resulted was a budget shortfall of nearly $900,000, which left many of the school’s bills unpaid. The Pennsylvania Department of Education responded by withholding over $850,000 dollars in state aid from over 60 local districts that had refused to send tuition payments to WPCCS. The money was withheld in order to pay for tuitions owed to the cyber charter.

26 In Pennsylvania, charter schools are funded by a process identified as “selected expenditures” which requires a school district to “determine its estimated total spending in the preceding school year and subtract from that figure its outlays for items such as nonpublic school programs, transportation services, facilities acquisition and other non-instructional costs. The resulting figure, divided by the school district’s number of pupils, is known as the selected expenditure” (PSBA, 2001). This formula results in a payment of approximately 80% of total per-pupil expenditure. PSBA (2001) estimated the average per-pupil cost charged to districts was $6,300 for a student in a regular education program, and an additional $10,800 for a special education student.
The case of WPCCS triggered a larger debate among educators and legislators. The debate pivoted on identifying who was ultimately accountable for both funding cyber charter students, as well as whether cyber charters, which resemble a traditional home schooling model, are permissible under the Pennsylvania education statutes.

**Who Is Accountable for Cyber Charter Schools?**

At the height of this tension in April of 2001, the Pennsylvania School Boards Association (PSBA) together with four of the state’s school districts, filed a suit against the state. The suit challenged the requirement that school districts pay cyber charter schools the requisite local portion of per-pupil revenue, and challenged the state’s interpretation that cyber charters were legitimate entities under the 1997 charter school law (PSBA, 2001).

The PSBA claims centered on three basic premises. The first objection was based on accountability and stemmed from provisions in Act 22, which indicate that only local school districts or, in the case of a regional charter, a cluster of school districts, have the authority to grant charters. In the case of a cyber school such as WPCCS, which was attended in its first year by children from 105 districts yet was approved by only one, school districts were being asked to pay for the schooling of children in a program whose charter they had no voice in approving or monitoring.

The second objection focused on the drain of resources from local school districts. Districts were expected to fund students who chose to exit their local district and enroll in a cyber charter, but were unable to hold cyber charters accountable for how the money was spent. Further, although local districts receive funding from the state on a per-pupil basis, overall budgets benefit from economies of scale. To continue to financially support students who exited the schools of a given district, as well as absorbing the cost of formerly private and home
schooled students who now wished to access public funds, severely taxed the resources of local districts. Within this climate, local administrators began to question the needs and expenditures of cyber schools that could operate without facilities and with small numbers of teachers, and which showed great variation in investments in curriculum development.

The last objection focused on the likeness that PSBA perceived between cyber schools and home schooling. The two existing cyber schools provided instruction exclusively via the Internet, which students accessed from their homes, and therefore lacked the physical classrooms, hours of direct instruction, and adequate supervision required for compulsory attendance laws as referenced in Act 22. In addition, Act 22 explicitly prohibited the allocation and disbursement of funds to directly support home schooling [see Pennsylvania Public School Code, §1717-A (a)]. Despite these and other concerns expressed through the filing of law suits by 23 districts across the state, the injunction requested by the PSBA was denied in late May of 2001 by Commonwealth Court Senior Judge Warren Morgan.

Immediately following the decision, other events unfolded that would shape the cyber charter policy debate. Local districts approved another five cyber charter schools slated to open in September of 2001. The continuation of the PSBA lawsuit, as well as the filing of other complaints, spurred a reaction from the Legislature. Several new bills were introduced, which prompted debates over how cyber charters should be held accountable and who should be responsible for funding their students. In August of the same year, the Pennsylvania Department of Education, at the behest of the State Legislature, contracted with KPMG Consulting to conduct an evaluation of the quality, accountability, governance, and funding of Pennsylvania’s cyber charters. The results of the report would prompt more legal action against cyber charter schools (see Box 2).
Box 2: Key Events for Pennsylvania Cyber Charter Schools\textsuperscript{27}

- **Act 22 (1997):** Permitted the creation and financing of charter schools. The legislation explicitly forbids home school charters, but does not explicitly address cyber charter schools.

- **PSBA lawsuit (2001):** Pennsylvania School Boards Association filed suit claiming that cyber charter schools with intra-district enrollments violate district authority, drain local resources, and in fact, operate as home school charters. The court upheld the legality of cyber charters.

- **KMPG Consulting (2001):** Contracted by the Department of Education, KMPG conducted an extensive review of cyber charters. Their analysis recommended an appropriate funding allotment for cyber charters be established, guidelines for communication between schools and districts be written, school-level accounting and reporting procedures be improved, and the practice of engaging in “financial arrangements in exchange for charter approval” be prohibited (KPMG, 2001).

- **Act 88 (2002):** Explicitly defined cyber schools and the process for granting charters. Established that only the Department of Education could grant charters for cyber schools. In addition the new law clarified the relationship between cyber charters and districts, as well as, implemented 16 new requirements to regulate multiple aspects of daily instruction.

**KPMG’s Evaluation of Pennsylvania Cyber Schools**

The KPMG report, released in October of 2001, provided the first comprehensive evaluation of Pennsylvania’s cyber charters. The study included the seven schools that were operational in September, 2001. However, KPMG was unable to obtain full data from TEACH-Einstein Academy Charter School, the largest operating cyber charter in the state, which served over 2,700 students and accounted for nearly 60% of the total cyber charter student population.\textsuperscript{28} KPMG reported that Pennsylvania had “created a climate of innovation to enable alternative

\textsuperscript{27} A more thorough discussion on the legal and regulatory evolution of the cyber charter schools in Pennsylvania, is presented in an earlier draft of this paper. See Huerta & González (2004).

\textsuperscript{28} As of Fall 2001, Pennsylvania cyber charters enrolled 4,732 students. The two largest schools, TEACH-Einstein Academy Charter School and Western Pennsylvania Cyber Charter School, enrolled nearly 80% of the total cyber charter student population. KPMG (2001) also reported that 56% of cyber charter students were previously home schooled, while only 33% had attended a traditional public school. In addition, 12% of cyber charter students were enrolled in special education.
forms of education to better serve its students,” but it warned that “while innovation has the potential to lead to new and better ways of educating students, not all cyber schools have long-term viability” (KPMG, 2001, p.5).

The findings received mixed reviews. The Pennsylvania Department of Education indicated that “the study shows what thousands of Pennsylvania parents already know: that cyber schools provide innovative education for students” (Chute & Elizabeth, 2001). On the other hand, the PSBA which was spearheading the continuing law suits against the state, was more skeptical of the report’s findings on the basis that students from TEACH-Einstein Academy Charter School—representing more then half of the state’s total population of cyber charter students—were omitted from the evaluation. While the missing data may have weakened the overall research efforts, the information collected and evaluated from the six other charter schools provided a comprehensive and crisp picture of how these cyber charters operate.

The results of the KPMG study provided real data for educators, policy makers, and judges and prompted a more informed debate among all parties who had weighed-in on the cyber charter issue. The report also prompted more legal action against cyber charters, including a complaint filed by the Pennsylvania Department of Education in February of 2002 against TEACH-Einstein Charter Academy. The cyber charter, which was already being sued by over 100 school districts, was now the target of complaints from parents who alleged that the school had failed to fulfill their promise to provide students with computers, Internet access and other learning materials (Rafaelle, 2002). Upon filing a complaint against the school, Secretary of Education Charles B. Zogby, stopped redirecting state aid from districts that had refused to pay tuition payments to TEACH-Einstein Charter Academy.
As the debate around cyber charters reached a boiling point, a seven-judge panel in a state court finally ruled in the PSBA case, originally filed in April of 2001. The court’s ruling provided a partial victory for both parties by protecting the legality of cyber charters under Pennsylvania law, and also ordering the Department of Education to stop taking funds from districts that had refused to make tuition payments to cyber charters. The court explained that the Department of Education should have provided districts with due process and allowed them to challenge the validity of the tuition bills before redirecting payments to cyber charters (Spidaliere, 2002).

**Act 88 Defines Cyber Charter Schools**

In June 2002, amidst appeals and additional law suits being filed against school districts and the state, the Pennsylvania Legislature passed Act 88, an amendment to the state’s first charter school law. The changes in the law mainly addressed concerns regarding cyber charters and explicitly defined a cyber charter school as “an independent public school established and operated under a charter from the Department of Education and in which the school uses technology in order to provide a significant portion of its curriculum and to deliver a significant portion of instruction to its students through the Internet of other electronic means” (Act 88, § 1703-A).

Unlike traditional charter schools, which are granted charters by the state only in cases where petitioners appeal the decisions of local school districts, cyber charter schools may now only be granted charters by the Pennsylvania Department of Education. The seven cyber schools whose charters precede the new state law will continue to serve students under the watch of their chartering district, but will have charters renewed only by the Pennsylvania Department of Education. No school district is authorized to grant a cyber charter, nor is any district responsible
for monitoring a program in which student enrollment spans the state. However, in order to overcome previously problematic communication between cyber charters and local districts, however, any district whose students attend a given cyber charter must be granted access to the school’s charter application, annual reports, and list of students from that district in attendance at the school.

In order to further clarify the relationship between cyber charters and districts, Act 88 also details district responsibilities. Districts are required to make student records available upon request to the cyber charter in which a student enrolls. Districts are also required to provide cyber schools with reasonable access to the district’s facilities, as well as assistance in the provision of special education services as needed. As if to speak directly to PSBA and the district lawsuits, the law also explicitly states that it is the responsibility of the student’s resident school district to make payments to the cyber charter school. For example, if a school and a district disagree about a student’s district of residence, the district must make the payment before the resolution of the dispute and then be reimbursed by the cyber charter should the dispute be resolved in the district’s favor [Act 88, §1748-A (a) (2) (vi)]. In addition, Act 88 includes a provision that orders the state to reimburse 30% of total funding for the 2001-02 school year to districts whose resident students are enrolled in cyber schools—approximately $1,900 based on an average payment of $6,300 per student. While the language in Act 88 is explicit in limiting the reimbursement to a one time payment, many districts are hopeful that it will be on-going.

The new law also seeks to address accountability concerns through criteria that outline important elements required for a charter application. In addition to new demands for traditional charter schools, Act 88 includes other criteria specific to cyber charters. The following are included among the 16 detailed requirements: (a) a description of the manner in which
instruction will be delivered and a requirement that progress be assessed by teachers, (b) an explanation of the types of technological and other materials to be provided, (c) a description of the methods in which a student’s on- and off-line time will be monitored, and (d) an explanation of the methods to be used to ensure authenticity of student work.

The remainder of the Act focuses on evaluative criteria for cyber charters and closely resembles Act 22, replacing old language with language that refers to cyber charter schools explicitly. The law states that a cyber school will be held accountable for its ability to: “demonstrate sustained community support; provide students with comprehensive learning experiences; develop students capable of meeting state standards as stipulated in Act 22; meet the goals outlined in its charter; and serve as a model for other public schools” [see Pennsylvania Public School Code, §1745-A (f) (1)].

While authority and oversight of cyber charters has radically shifted to the state, it is not clear whether such action will result in quelling the contentious debate over the governance, accountability and funding of cyber charters in Pennsylvania. However, recent developments may provide a hint of how legislative changes may influence the decisions made by policy makers. Since the enactment of Act 88, one of PSBA’s residual cases dissolved in October of 2002, when the Morrisville School District voted to revoke the charter of the TEACH-Einstein Charter Academy.29 In addition, the state had an opportunity to exercise its new authority over granting cyber charters, when it recently rejected five petitions for new schools (Hendrie, 2003).

**Policy Recommendations**

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29 The school will remain open until it is granted an appeal hearing by the Pennsylvania Department of Education.
The experiences of California and Pennsylvania provide valuable precedents from which other states can draw important lessons. The recent legislative amendments in these two states have resulted in explicit definitions of cyber and home school charters, as well as expectations for accountability, standards and resource use. The evidence suggests that as charter operators stretch the definitions of what is permissible under existing laws, nonclassroom-based schooling models will be tried in courts or reviewed by legislatures to determine whether existing charter and general education statutes can embrace these alternative schooling models.

The responses from legislatures and courts are beginning to create a regulatory blue print that advance rule-based compliance measures aligned with traditional definitions of accountability and effectiveness. In light of the new demands, the continuing challenge for states will be in reconciling the decentralized freedoms guaranteed to all charters, with the responsibility of holding all public schools accountable.

The following recommendations are based on the experiences of California and Pennsylvania in their attempts to define nonclassroom-based charter school models. The recommendations address salient policy issues that states will likely encounter as cyber and home school charters continue to evolve.

Formulate per-pupil funding levels that reflect real costs of nonclassroom-based schooling.

Much of the debate around funding for nonclassroom-based charter schools has focused on the lower overhead costs associated with savings on teacher salaries and benefits, facilities and maintenance, transportation, food service and other services. The vast differences in costs, when comparing a nonclassroom-based charter to a traditional classroom-based model, can be accounted for in two funding categories: a.) teacher salaries and benefits; and b.) facilities and
maintenance. For example, the costliest budget item in a traditional school model is teacher salaries and benefits, amounting to an average of 56% of total expenditures (National Center for Education Statistics, 2003). Facilities and maintenance, in most cases the second highest cost, can amount to nearly 11% of a school’s budget (National Center for Education Statistics, 2003). The limited demand for each of these resource categories in nonclassroom-based charters amounts to wide differences in funding needs.30

Early reports from Pennsylvania suggest that cyber charters indeed may not demand the same per-pupil expenditures as traditional schools. For example, the director of the Western Pennsylvania Cyber Charter School offered resident districts that were sending tuition payments a reduction in the per-pupil payment from an average of $6,000 to $5,000 during its first year of operation. The offer also included further reductions, dropping to $4,500 for the second year, and then $4,000 thereafter. He explained that “funding should actually reflect the cost of doing business…no district should be charged more than it costs us” (Reeves, 2001).

Inherent in the discussion of differential funding levels for nonclassroom-based charters—as evidenced in California and Alaska31—is the assumption that current funding levels for traditional school students are adequate; thus funding for nonclassroom-based students should be proportionately less. Yet, determining the exact costs of nonclassroom-based schooling models entails a closer analysis that could account for additional costs over time. However, states have not engaged in the important process of costing-out a nonclassroom-based instructional program.

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30 Recall that in California, SB 434 required that home school charters meet student-teacher ratio equal to that in traditional schools within their home county. Thus, in the California context, the vast cost difference for supplying teachers to traditional schools compared to home school charters, is potentially nullified.

31 Similar to California, Alaska also limits funding levels for home school charters. The state reduces its portion of total per-pupil funding by 20% (total per-pupil funding includes approximately 70% state and 30% local revenues) for students enrolled in correspondence or home school charters. A correspondence study program is defined as a program where a student receives “less then three hours per week of scheduled face-to-face interaction” with a certified teacher in a classroom setting for each secondary course; and less then 15 hours per week in an elementary school setting (see Alaska Administrative Code Title 4 § 33.490).
In determining an adequate level of funding, state officials should consider how the educational needs of individual students will be met through non-traditional teaching and learning methods. States should also consider how nonclassroom-based charters have adopted resource use patterns that require alternative financial reporting and expenditure levels, including: accounting (e.g. maintenance of student records, attendance logs and transcripts); accountability (e.g. determining what accounts for instructional time and how it is logged and evaluated, as well as evaluating the quality of nonclassroom-based instruction); and reporting of how per-pupil payments are linked to services provided (e.g. technology, learning materials, paraprofessional services, and third party curriculum and management service providers). After identifying benchmarks for a quality nonclassroom-based instructional program that meets both local and state-level accountability demands, as well as accounting for the costs of teachers and facilities, then a funding formula linked to these benchmarks may begin to more accurately identify necessary resource levels.

Define consistent accountability mechanisms for student performance and program quality at the state and local-level.

A first step in creating a new accountability mechanism that is aligned with nonclassroom-based schooling is addressing the unique organizational models, as well as the different teaching and learning methodologies, that nonclassroom-based charters employ. Accounting for enrollment, instructional hours, quality of instruction (delivered by parents, computer software, or distance learning), quality of student work, assessments, and level of contact hours between teachers and students, are all part of an accountability formula which begins to define a nonclassroom-based schooling model.
For example, in California student funding apportionments for home school charters is based on the “time value” of student work rather than average daily attendance (ADA). Time value accounts for student work that is evaluated by a certificated teacher who makes a professional judgment of the work’s quality, and then calculates a time value equivalent of the completed work. These factors create a new benchmark with which to calculate funding apportionment credit that shifts from “seat time attendance” to a system that is dependent on the amount and quality of work that a student produces. What results is an accountability structure that is better aligned with the teaching and learning methods employed by a nonclassroom-based schooling model.

Requiring “face-to-face” or other forms of communication between students and a certificated teacher is another important step in assuring greater accountability of program quality. Teacher-student contact can assure that teachers will direct instructional objectives, provide the curriculum necessary to complete learning objectives, and monitor student progress more closely. However, student-centered and individualized educational programs may not demand alignment with existing traditional school structures, which rely on rule-based compliance such as “seat time” and instructional minute requirements, to account for and monitor the quality of an instructional program.

Monitoring the outputs of nonclassroom-based charters, in the form of student achievement, is another important consideration for accountability mechanisms. Recent school-level achievement data from California indicates that nonclassroom-based charters have “much lower adjusted test scores than either other charter schools or conventional public schools” (Zimmer et al., 2003, p.49). Interestingly, the researchers also found that nonclassroom-based students come from more mobile families (higher SES, including higher parent education levels,
and much lower rates of free/reduced lunch) when compared to their traditional charter school counterparts (Buddin & Zimmer, 2005). In another recent study that analyzes whether California charters meet the achievement growth targets set by the California Academic Performance Index (API), nonclassroom-based charters were significantly out-performed by both classroom-based charters and traditional schools (EdSource, 2005). The EdSource study also found that nearly 50% of nonclassroom-based charters do not administer the state’s standards-based test, and thus do not receive an API ranking. These achievement findings are especially important in the context of growing demands for increased student achievement contained in both state accountability mechanisms as well as the federal-level No Child Left Behind Act (NCLB).

The need to fully define nonclassroom-based charter schools and construct appropriate governance policies may be accelerated by NCLB because the federal legislation contains conflicting impulses, which may place non-classroom learning at the forefront of a larger educational debate. On the one hand, NCLB seeks to standardize educational practice and annually assess student progress. These goals conflict with the structure of nonclassroom-based learning, which minimizes the role of the state by expanding parental authority. On the other hand, NCLB’s choice provisions encourage states to provide parents with new schooling options. “Virtual” schools have already been identified as a viable solution, especially in depressed urban districts where seating is limited, as well as in rural environments where multiple schools may not exist. It appears that NCLB is simultaneously encouraging the creation of nonclassroom-

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32 In California, parents have a right to opt out of state sanctioned testing for their child. The high rate of nonclassroom-based schools with insufficient student achievement data may be related to the hesitance, on the part of mostly home schooling parents that enroll in nonclassroom-based charters, to administer a state-sponsored test that does not align with the curriculum adopted for their home-based instructional programs.

33 The U.S. Department of Education non-regulatory guidance on the NCLB school choice provisions specifically define virtual or nonclassroom-based schools as an option for districts to expand school choice options for students who seek to transfer from low-performing schools (U.S. Department of Education, 2004). Department of Education officials have also encouraged local officials in New York City, where transfer requests have resulted in overcrowding of desirable schools, to “offer students whose transfer requests are rejected other options, like virtual schooling” (Goodman, 2004).
based schools, while restricting the autonomy that families attending these schools favor. A reasonable assumption based on existing patterns in several states is that nonclassroom-based charters will exploit the inconsistencies found in NCLB, resulting in time consuming legislative and legal battles. Preventing such actions requires improving our understanding of nonclassroom-based charter schools and strengthening accountability mechanisms aimed at monitoring these non-traditional schooling models.

**Delineate enrollment boundaries and funding responsibilities to clarify those accountable for nonclassroom-based charters.**

As students cross district and county lines, students’ resident districts struggle to monitor whether nonclassroom-based charters are providing a quality educational program for those students. Auditing the enrollment and attendance records of nonclassroom-based charters is necessary to ensure that local and state portions of per-pupil payments are forwarded by students’ resident districts to the nonclassroom-based charters that students choose. In addition, a policy that delineates geographic boundaries with manageable enrollment zones, can simplify the oversight challenges exacerbated by borderless enrollment zones. This issue may prompt policymakers to consider state-level approval and sponsorship of nonclassroom-based charters, as well as a funding system where the state portion of student per-pupil revenue comprises the larger share of funding.

The recent enactment of Act 88 in Pennsylvania takes important first steps in shifting both the authority to grant cyber charters and the monitoring of these schools, from local districts to the state level. Act 88 also aims to open communication between cyber charters and students’ resident districts, by requiring unfettered access to a school’s charter application, annual reports,
and attendance roles. While these provisions address important concerns linked to accountability challenges, the principal funding responsibility remains that of the districts.34

In California and Alaska, the funding dilemma is not as urgent because both states operate a more state-centered school funding system where the state and federal portion of per-pupil funding is greater than the local responsibility—71% and 76% respectively (National Center for Education Statistics, 2001). However, in Pennsylvania funding is a pressing issue because local revenues comprise nearly 60% of per-pupil funding. A state-centered funding system would provide a more stable source of revenue for nonclassroom-based schools, provide fiscal relief for local districts, and relieve schools from having to solicit the larger share of their per-pupil payments from their students’ resident districts.

**Provide state-level funding to address the influx of formerly home schooled students.**

The large influx of formerly home schooled students, who have chosen to enroll in nonclassroom-based charters, has resulted in an unexpected need for additional state and local funding. Many districts are challenged to reallocate budgets to fund students who were not previously on the public school rolls. For example, 2 county superintendents representing 22 districts in Pennsylvania, reported that they were billed $1.8 million by cyber schools throughout the state, for 303 students who reside in their districts (Rafaelle, 2001). Considering that nearly 60% of cyber charter students in Pennsylvania were previously home schooled, these districts were met with a potential budget shortfall of approximately $1.08 million required to meet the demand of new students who enrolled in cyber charters.

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34 House Bill 1733, an earlier version of ACT 88 that was debated in the Legislature but failed to pass, called for full state control and oversight of cyber charters. The bill also would have relieved local districts from paying for cyber charter students, and require the state to take full responsibility of per-pupil payments.
As stated in our previous recommendation, a state-centered funding system for nonclassroom-based charter students will relieve local districts of budget shortfalls caused by enrollment spikes in nonclassroom-based students. States should consider taking full responsibility for funding, or providing partial subsidies to alleviate this funding challenge. In Pennsylvania, Act 88 has begun providing partial subsidies amounting to 30% of local per-pupil payments to the resident districts of cyber charter students. However, the one-time payment limited to the 2001-02 school year, does not provide sufficient funding to account for enrollment growth that is likely in the future.

Another solution that can assist districts, is limiting the number of operating nonclassroom-based charters and restricting enrollment to students already enrolled in public schools. For example, the State Legislature of Arizona recently instituted a pilot program that allows for the creation of 14 cyber schools—7 traditional public schools and 7 charter schools. In a proactive attempt to avoid the budget challenges that local districts have encountered in meeting funding requirements for nonclassroom-based students, the law explicitly limits student enrollment to students who “enrolled in and attended a public school in the previous school year” [see Arizona Public School Code, §15.808 (11) (b)]. In essence, the enrollment restriction will allow districts that fund cyber school students to draw per-pupil funding from existing budgets and provide a buffer for enrollment growth over time. In addition, limiting the number of Arizona cyber schools to 14, will allow for slow growth of cyber schools. The pilot program also includes provisions that outline a state sponsored evaluation of all the cyber schools that will analyze student achievement, effectiveness of instructional programs, resource use patterns and cost-effectiveness.
Conclusion

This paper provides important insights into how nonclassroom-based charter schools are evolving within the charter school movement, as well as the wider public school community. Our description and definition of nonclassroom-based schooling, coupled with an in-depth regulatory analysis which traces how California and Pennsylvania are defining cyber and home school charters, provides a comprehensive perspective into the issues raised by these new schooling models. However, more in-depth research and analysis are necessary to fully account for the overall effectiveness of cyber and home school charters.

As mentioned earlier, existing research that examines nonclassroom-based schooling is limited. New research efforts will need to focus on school-level analysis that can assess the effectiveness of instructional programs, organizational and governance structures, resource use, and the accountability mechanisms that nonclassroom-based schools employ. Ultimately, new research will assist us in deciphering the viability of sustaining these alternative schooling models under the context of increased state and federal accountability demands.
References


Notes

We thank Henry Levin, Clive Belfield, Jeffrey Henig, Bruce Fuller and Amy Stuart-Wells for their review and helpful comments on earlier drafts of this paper. This research was made possible by grants from the National Conference of State Legislatures and the National Center for the Study of Privatization in Education at Teachers College-Columbia University. The findings and views expressed in this work are solely those of the authors and do not reflect those of any organization listed above.

Paper Presenter

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The Politics of Vouchers:
An Analysis of the Divergence in Housing and Education Voucher Policy

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Abstract

We will argue that the reason for the adoption of housing voucher policy and rejection of education vouchers is due primarily to institutional differences between the two sectors. In short, the precedent of local control in education compared to federal control of subsidized housing meant that demand-side voucher proposals posed entirely different problems and opportunities for schools than for housing. Certainly aspects unique to education such as the separation of church and state help to explain why public education vouchers are fledgling, but the historic lack of federal presence in education is a key characteristic discouraging more widespread passage of voucher proposals. Without federal funds and capacity, education vouchers face numerous barriers that make widespread passage unlikely. The inability of state and local education voucher proposals to tap federal funds (as do housing vouchers) and the domination of the public sector in the education market (unlike housing) are perhaps the two greatest factors for their limited ability to take hold.

Introduction

Housing and education have traditionally been considered the primary instruments of social mobility in the United States (Bellush, 1967, 116). More than other assistance programs, housing aid and education are two services that reach deeply into families’ lives; put simply, home and school are where children spend the majority of their time. By extension, neighborhood and classroom environments exert influence on families and their children. Education and housing policy makers thus must consider not only effectiveness of proposed policies but also the environmental impacts that mitigate their effects. Particularly in urban settings (where the policies we will examine primarily focus), these policies must consider the potential outcomes of geographic mobility on target populations and effects from a “culture of poverty.”

If public officials in the housing and education sectors deal with similar concerns about physical and social environment, why has the public sector favored a market-oriented response (via vouchers) to housing provision but not for schools? If vouchers are considered an effective form of housing assistance, why are they so contentious for schooling? If socioeconomic or racial integration is deemed a priority for one arena, why is it not for the other? In attempting to answer these questions, we hope to offer reflections about the viability of redistributive programs and what we believe is the critical role of institutions in shaping and sustaining them. The current debates over block granting housing vouchers and state legislative proposals to enact education voucher programs reveal that voucher policy in these two sectors is still in flux.
When characterizing redistributive public spending, it is common to distinguish between demand-side and supply-side subsidy. In the housing sector, supply-side programs subsidize the construction or rehabilitation of homes, whereas demand-side programs provide subsidy directly to consumers of housing. Historically, government spending on housing falls on both the supply and demand side -- for example, building housing and providing tax deductions to homeowners. Funding for education, however, (with the exception of higher education) falls almost entirely on the supply-side—i.e., funds to build and operate public schools. Demand-side subsidy has never amounted to more than a negligible share of total K-12 education spending.

Policy makers have debated the merits of demand- versus supply-side subsidy since the inception of government programs. But in spite of many shared objectives across redistributive programs for welfare, housing, and education, they are distributed at different levels of government and alternately to suppliers of services or consumers of services. For example, the federal government is the primary funder of subsidized housing whereas it has never provided more than 10 percent of education funding.

Why would redistributive programs targeted to similar populations settle at different levels of government and be alternately place-based or people-based? Given the shared characteristics of housing and education, the evolution of divergent demand-side policies in these two sectors (starting with voucher experiments conducted in the early 1970s) is one way to examine this question. From a policy perspective these demand-side experiments were carried out to test similar objectives in two sectors that had been dominated by supply-side government policy: would vouchers drive up prices in the private market; would vouchers desegregate high poverty populations; would providing choice to consumers be a more efficient way to provide services?

Additionally, the social context under which these experiments were considered bore similarities: the face of urban public education, like public housing, had decidedly changed by the late 1960s. White flight, suburbanization, and migration of blacks from the south to northern cities amongst other factors meant that consumers of urban public schooling and public housing (which tends to be located in urban areas) were dominated by the poor and African Americans. Social scientists began to raise concerns during the 1960s and 1970s about concentrations of poverty, the peer effects of neighborhoods and classmates, and racial and socioeconomic sorting across suburban and urban municipalities; these collectively presented some of the same
challenges to public housing advocates as to public school practitioners. Given the similarities in demographics and policy considerations, legislators and policy makers might reasonably be expected to take up similar policy responses to these two sectors.

Indeed, there is reason to think that the federal government did consider these two sectors in similar ways. Historic federal legislation (Elementary and Secondary Education Act in 1965 and the 1968 Housing Act) marked significant increases in federal funds for both public housing and school funding. Likewise, federally funded housing and education voucher experiments occurred contemporaneously in both sectors. But as the federal profile in education and housing increased, the Supreme Court handed down rulings in 1972 and 1973 that rejected federal constitutional claims to housing and education respectively, suggesting by default that states and localities would need to be the locus of these services.35 Yet in spite of these rulings, Congress passed legislation in 1974 that started the national Section 8 existing housing program (vouchers) that has since commanded an increasingly large share of the HUD budget. While housing vouchers enjoys bipartisan support and holds a fairly secure position amongst HUD programs, federal education vouchers proposals failed while local plans continue to sputter, taking hold only sporadically and on the margins of traditional supply-side provision of public education.

We will argue that the reason for the adoption of housing voucher policy and rejection of education vouchers is due primarily to institutional differences between the two sectors. In short, the precedent of local control in education compared to federal control of subsidized housing meant that demand-side voucher proposals posed entirely different problems and opportunities for schools than for housing. We find evidence to support Hacker’s thesis that sequence and timing matters: policies shape political dynamics and set subsequent policy making on paths that are difficult to redirect (Hacker, 2002, 27). In particular, we believe the failure of education policy making and funding to rise to the federal level has discouraged the adoption of demand-side subsidy programs.

The simple fact that there was a federal precedent in housing programs influenced the passage of a federal housing voucher program. Adoption of the federal housing voucher program was in large part a reaction to the shortcomings of alternative federal housing programs. The perception of crisis in subsidized housing program by the early 1970s was perhaps the single

35 In 1972 Lindsey v. Normet the Supreme Court rejected a federal constitutional claim to housing. The Supreme Court in the 1973 San Antonio Independent School District v. Rodriguez case ruled that there was no fundamental right to education in the federal Constitution.
most influential factor currying legislative favor for a voucher program (Lilley, personal interview, December 1, 2004). The federally funded education voucher experiment, though, did not stand against a backdrop of alternative federal education programs. Federal congressional reluctance to allocate new funds and initiate an education voucher program reflected a historic reluctance to impinge on the “vital national tradition” of local autonomy.36 This then left states or localities to raise funds for education voucher programs -- an unappealing prospect when public schools are already the single largest expenditure for most state and localities.

Local voucher proposals have typically run aground on formidable barriers: finding new money or carving out funds from existing education budgets; threatening public educators’ job security by funding children’s education at private schools; and strong language in most state constitutions separating church from state. The political and economic difficulty of funding and operating a voucher program at the local level has essentially prohibited the wide-scale adoption of education vouchers. Central to our argument is the assumption that federal control and support for vouchers are critical if it is to happen on a large scale.

Federal support is essential because it possesses greater capacity, infrastructure, and funding relative to states. The federal level can draw on its larger revenue base to allocate new funds to start programs rather than reducing previous allocations to existing ones. Its bureaucratic agencies also enjoy greater stability, larger staff with a greater range of expertise, and more professional prestige. In short, the federal government simply has a more established infrastructure for the development and implementation of policy.

States, by comparison, lack a stable stream of revenues to fund policy research, experimentation, and implementation. States also do not have as long a tradition of professionalized civil services at does the federal level. Only by the 1960s had many state legislatures become professionalized and full time (Weir, 1996, 25). In short, states have lacked policy-making expertise due to limited resources, staff, and prestige.

Adding to these institutional constraints, exit poses greater threat to smaller jurisdictions such as states and localities because the costs of mobility at these levels are lower (Hirschman, 1970). Due to the threat of exit, Paul Peterson in City Limits reasons that higher levels of government best perform redistributive functions whereas the local government is best suited to

36 The Supreme Court majority opinion in 1972 Wright v. Council of the City of Emporia asserts that “Direct control over decisions vitally affecting the education of one's children is a need that is strongly felt in our society [. . . .]"
developmental functions (Peterson, 1981). In theory, smaller units of government can adopt a
diversity of policies that can then serve heterogeneous preferences and foster competition
(Tiebout, 1956). Centralizationists argue, on the other hand, that only larger government
boundaries can capture the full costs and benefits from policy (and thus will be more efficient in
allocations), and that larger government can better spread risk and better redistribute since the
threat of exit by above average taxpayers is reduced (Donahue, 1997, 74). Given the challenges
posed to states and localities by geographic mobility, their dearth of experience and capacity in
policy making and implementation, and the onerous burden of raising new revenues to support
new programs, we will argue that the initiation of ambitious redistributive policies such as
vouchers require federal investment and support.

In general there has been a trend towards decentralization since 1980, as federal domestic
spending has dropped as a percent of GDP while state and local share increased. The
decentralization-centralization debate continues into the present, and it certainly influenced the
voucher policy debate in the early 1970s. However, we will argue that the staying power of
previous institutional arrangements overpowered the Nixon New Federalist debate ongoing
during voucher legislation enactment. So while the federalist debate was very alive during the
demand-side experiments for housing and schools, it did little to influence the level of
government at which the voucher program was adopted.

In seeking to understand why voucher proposals have taken such different paths in these two
(we argue) similar sectors, a few possible compelling explanations warrant consideration.

1. One potential cause for these differences may be rooted in national values associated
with these different goods. According to this theory, acceptance of either education
or housing as a universal, public good—and a resulting attachment of the public to
the provision of that service in public, supply-side provision—would explain the
failure to accept vouchers within that sector.

2. Another potential explanation may rest with interest groups. This theory holds that
the heightened presence or organization of powerful interest groups in favor of
vouchers or opposed to vouchers within a specific sector, given continuity in stated
goals and administrative support for vouchers, would result in the respective voucher
policy outcome. We would then expect that a changed legislative position on
vouchers would correlate with a change in the political clout of relevant interest
groups.

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37 Excluding spending on defense, international aid, interest, and transfers, federal spending was 3.0% of the Gross Domestic Product in 1970 and reached as high as 4.2% of GDP
in 1980 but then steadily declined to 1.8% as of 1998. Meanwhile, state and local spending from its own sources steadily increased from 7.9% in 1970 to 10.0% of GDP in 1998
(Historical Tables, Budget of the United States Government, Fiscal Year 2000, 1999).
3. Finally, the institutional context of the respective sector—i.e. which level of government in the federalist system has primary responsibility over housing or education policy—may provide characteristics that either constrain or facilitate the passage of voucher policies at the federal level.

We consider these three potential hypotheses in the sections below. Although we attempt to isolate them for the purpose of drawing distinctions, they are admittedly deeply intertwined. We acknowledge that the assumption of housing and education at the federal and local level in the first place arguably reflected values about the role of housing and education provision. These values heavily influence the debates staged about vouchers since the 1970s. It is difficult though to determine the direction of causality between formation of values and institutions; most likely a reciprocal relationship exists between the two. Certainly the value we place on local autonomy, social mobility, individualism, and rights of citizenship heavily influence who we make responsible for provision of public services. But rather than attempt to identify what came first, we believe it is more feasible and fruitful to simply acknowledge that values and institutions have an iterative relationship: values influence the choice of institutions that then shape expectations and values. We maintain, however, that values and interest groups play a secondary role in these policy outcomes, with the institutional differences providing the context and parameters in which these two must interact.

Is Housing a Social Right?

Unlike elementary and secondary education, there has not been consensus on whether a safe, decent home is a universal right of United States citizenship. There have been conflicting impulses regarding entitlement to housing since the inception of federal involvement in housing provision. Theodore Roosevelt’s President’s Homes Commission report of 1908 considers this question:

If the government can build prisons for criminals, almshouses for the poor, asylums for the afflicted and public schools, libraries, etc... it would seem that in common sense and logic that can be no condemnation for an application of the same solicitude to the aid of those who are in a condition of semiparalysis, owing to economic conditions... All unsightly and unsanitary property should be condemned and purchased by the government, improved in a uniform manner, and inexpensive and healthful habitations erected for the poor, who could rent or purchase these homes on installment plans, at low rates of interest (Fisher, 1959, 232).
But four decades would pass before the federal government affirmatively declared a “decent home and suitable living environment for every American family” a goal — not a promise (Housing Act of 1949). Despite this tentative gesture towards housing as a universal right, U.S. housing programs have always been categorical.

The earliest government involvement in housing was prior to World War I and restricted to federal employees. This eligibility standard expanded during World War I to include federal employees of private defense plants, but less than 30,000 total housing units were created (Fisher, 1959, 232). It was not until the Depression when private market housing starts declined by an astonishing 89 percent between 1925 and 1933 (from 937,000 starts to 100,000 annually) and home loan defaults were growing exponentially that the federal government expanded its role in the housing market (Mitchell, 1985, 6). When it did, its actions were framed explicitly as a jobs program with the ancillary, but still important, benefit of providing housing for poor workers. Thus the driving impetus for the government’s initial involvement in the housing market was to shore up the ailing economy.

The reluctance of the federal government to move beyond regulation to direct funding of builders or housing consumers is evident in the language used by governing officials and the order in which they enacted various housing legislation. Concerned by the precipitous decline in the construction industry, President Hoover in 1931 called a conference to examine the national housing market. This Committee on Large-Scale Operation recognized the necessity of government regulation (in the form of zoning and building inspections) but warned against European countries’ direct provision of low-cost housing, concluding, “private initiative taken by private capital is essential” (Fisher, 1959, 236). The federal government’s first halting steps in the Depression took the form of its previous World War I housing program: loans to limited-dividend corporations to build housing. Hoover went further in 1933 to create the Home Owner’s Loan Corporation to provide emergency funds to prevent foreclosures.

It required a new President before the federal government would directly provide housing. By 1933 under President Roosevelt a flurry of legislation passed that paved the way for direct government intervention in housing. Harold Ickes, the Administrator of the newly created Public Works Administration, created a housing division to make grants and loans to public bodies to build low-cost housing and went further to allow the federal government itself to buy, condemn, or sell property. As Ickes said at the time, a decent dwelling for families was one of
many purposes for the Housing Division alongside aims to provide employment, eradicate slums, and to show the practicability of large-scale planning (Fisher, 1959, 238).

The dual justifications for housing assistance based on rights and economic development have alternately complemented and competed with the other. As will be explored in more detail below, the multipurpose nature of housing programs has generated broad-based support from a diversity of interest groups but also undermined the primacy of a rights-based justification for housing. Ironically, the popularity of tax expenditure housing programs such as mortgage interest deductions that primarily benefit the middle class has provided political shelter for the continuation of much smaller assistance programs directed at the poor. At the same time, the hedged commitment to housing as a right of citizenship has hobbled the political will to provide housing assistance to all those who would be eligible.

One obvious factor contributing to the tentativeness of the rights-based argument has been government officials’ concerns over the costs of global coverage. It has always been understood that subsidized housing only meets a fraction of the need, as evidenced by long waiting lists for public housing and housing vouchers. Today only one in four eligible households actually receive a housing voucher (Center on Budget and Policy Priorities, 2003). The President’s Third Annual Report of 1971 determined that “it is doubtful that the public, and hence the Congress, will be prepared to accept the staggering budgetary cost of a more global coverage” (1971, 23-24). This challenge continues today; indeed the Bush administration has proposed cuts to housing assistance programs including vouchers that would further restrict the number of households served. Housing, unlike education, has never been an entitlement program.

Directing federal assistance down to the local level has been one way the national government has limited the scope of assistance. From the start of federal housing programs, government officials emphasized the importance of local control. Ickes stressed the transitional nature of the direct federal building programs, facilitating the quick passage of state-enabling legislation to decentralize the construction of public housing (Fisher, 1959, 238). Two state court decisions in 1935 made this necessary, ruling alternately that the federal government was not

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authorized to exercise eminent domain but that local authorities were.39 Between 1933 and 1937 nearly 48 states passed legislation to create local authorities designated to build and operate public housing. This then set the stage for the 1937 Housing Act, which created the federal mechanism channeling funds to local public housing authorities.

If the pressure to decentralize was present from the start, why has the federal government retained a role in creating national housing policy? Although housing assistance programs such as public housing may be the most visible, the far larger and more influential of federal housing programs regulate and subsidize the home mortgage market (Feins, personal interview, November 9, 2004). Between 1932 and 1937, the federal government authorized the creation of the Federal Home Loan Bank to own and govern savings and loans associations, the Federal Savings and Loan Insurance Corporation (FSLIC) to insure depositors’ accounts at S&Ls, the Federal Housing Administration (FHA) to guarantee individual mortgages, and Fannie Mae to create a secondary mortgage market. With the exception of FSLIC, these monolithic organizations continue to support and subsidize the mortgage market, reducing risk (and consequently lowering interest rates). Thomas Ashley, a longtime member of the housing subcommittee in the House of Representatives, remarked in 1972 that the 1940s-1950s federal housing policy consisted of “helping the builders and the savings and loan associations, with a small assist thrown in for the urban poor” (Lilley, 1972C, 1461). The table (Figure 1) below created by the National Low Income Housing Coalition depicts the extent to which housing related tax expenditures40 dwarf low-income housing subsidies.

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39 United States v. Certain Lands of the City of Louisville (1935) enjoined the federal government from exercising the power of eminent domain for slum clearance and low cost housing. This effectively restricted construction of public housing by the federal government to vacant sites only. New York City Housing Authority v. Muller (1935) determined that local authorities could use eminent domain to clear slums and build low cost housing.

40 Housing related tax expenditures include property tax and mortgage interest deductions, exemptions or deductions from capital gains, deductions for tax exempt bonds, accelerated depreciation, and low income housing tax credits.
Lilley, a National Journal reporter at this time, further claimed that subsidy programs directed to low-income populations were tagged onto the more popular programs indirectly supporting the mortgage market (ibid). This then suggests that rights-based claims to housing were, in fact, subordinate to the economic development aims of housing policy.

**Who Deserves Public Housing?**

Whatever the prominence of rights-based claims, they were strained politically by a shift in the public housing population during the 1960s from the “deserving poor” to the “semi-permanent dependent class” (Mitchell, 1985, 13). Between 1950 and 1970 the median family income of public housing residents declined from 63 to 35 percent of area median income (The President’s Commission on Housing, 1982, 33).41 In contrast to the 1930s view that public housing production would displace slums, public housing by the early 1970s appeared to contribute to urban decline. Representative Thomas L. Ashley (OH), a Congressional housing expert, remarked in the early 1970s “The cities are disintegrating and the housing programs are contributing to the rot” (Lilley, 1972B, 1076). HUD Secretary Romney, in April 1972 testimony before the House Appropriations Subcommittee on HUD-Space-Science-Veterans, indicated his

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41 Pre-1969 rents charged to public housing residents were expected to cover operation costs, but the regulatory restriction that public housing tenants must be low-income meant that low rents resulted in deferred maintenance. Ironically, the Brooke Amendment to the 1969 Housing Act, which provided operating subsidy to public housing authorities in exchange for tenants paying no more than 25% of their income for rent, had the unintended effect of declining median incomes at public housing sites. Arguably the lack of operating subsidy up to 1969 contributed to a vicious cycle of physical decline of public housing, depressed marketability, and subsequent further physical deterioration.
crisis of confidence in the public housing: “I am telling you here today that I am taking a look at the question of whether I am going to tell 20 cities in this country, ‘There are certain areas of your city we are not going to put any more money in because it will be wasted, because the social conditions and other considerations do not justify it’” (Lilley, 1972B, 1075).

The demolition of Pruitt-Igoe, a 2,800-unit public housing complex in St. Louis, in 1972 symbolized the confluence of urban crisis and demographic change to majority poor, black, and female single parents. As Representative Edward Boland summarized at the time, “Pruitt-Igoe is a disaster because it dumped all the flotsam and jetsam in the same area. . . . The only people who live there are people who have problems.” (Lilley, 1972B, 1078). Representative Ashley attributed the eroding support for subsidized housing to racial issues, and Representative Koch likened housing legislation to busing legislation: “strictly a no-win proposition” (Lilley, 1972C, 1462). By the early 1970s, public housing became a lightning rod for dissatisfaction with programs targeted to the urban poor.

In short, policy debate over redistributive housing policy by the 1970s had strayed far from the 1908 Homes Commission musing on the “common sense” of providing “aid of those who are in a condition of semi-paralysis, owing to economic conditions”. This shift set the stage for a debate over the validity of place-based, supply-side subsidy and even raised the question if public housing should be phased out altogether (Lilley, 2004). HUD and Congress were looking for a solution to the perceived crisis of housing assistance programs, and an expansion of subsidy necessitated by an entitlement to housing appeared to only fuel the problem.

**Education: Decidedly a Public Good**

The American Dream is a powerful concept. It encourages each person who lives in the United States to pursue success, and it creates the framework within which everyone can do it…this American dream is surprisingly close to what most Americans have believed through most of recent history…[And] public schools are where it all is supposed to start. (Hochschild & Scovronick, 2003, 1)

The institution of public schools is integral to the meritocratic ideal: in America, one’s situation at birth is not supposed to determine one’s fate, and the public schools are the engine providing opportunities for social mobility. Central to the debate about education vouchers (since current voucher proposals provide an alternative to this public system of education) are deep-seated questions about how Americans feel about the ideals behind public schooling and if they
feel those ideals are actually put into practice. Therefore is it essential to understand the goals of public education to comprehend the complex debate surrounding education voucher proposals.

Though the federal constitution of the United States makes no mention of public education, the universal right to a publicly provided education has been widely accepted for almost a century. The constitutions of all fifty states make some mention of creating or establishing a public school system (Education Commission of the States, 2000). By 1918 all but four of the current 50 states (including territories at that time) had compulsory education laws; by 1929 this expanded to include all 50 current states (National Center for Education Statistics, 2002). In the United States, education is a guaranteed right and the states and state-empowered localities are the primary providers of this good. Thus, though all citizens of the U.S. are guaranteed a right to a public education, the content and quality entailed by the right vary across the fifty states.

The Supreme Court, in the *Brown v. Board of Education* decision, affirmed the importance of education both for individual rights and for the collective good:

> [E]ducation is perhaps the most important function of state and local governments. Compulsory school attendance laws and the great expenditures for education both demonstrate our recognition of the importance of education to our democratic society. It is required in the performance of our most basic public responsibilities, even service in the armed forces. It is the very foundation of good citizenship. Today it is a principal instrument in awakening the child to cultural values, in preparing him for later professional training, and in helping him to adjust normally to his environment...[I]t is doubtful that any child may reasonably be expected to succeed in life if he is denied the opportunity of an education. Such an opportunity, where the state has undertaken to provide it, is a right which must be made available to all on equal terms. (Brown v. Board of Education, 1954)

Education is arguably the most important social right, the purposes of which include a wide range of individual and collective needs: creating a skilled workforce to sustain a strong economy; creating citizens that can perform civic duties essential to our democracy such as voting, serving on juries, and defending the country in time of war; inculcating cultural values and norms such as tolerance for diversity; contributing to a literate, entrepreneurial, creative society; aiding one’s ability to make informed decisions and to appreciate cultural and literary resources. And, as seen here, equal educational opportunities are essential for the creation and

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42 “Each state constitution contain at least one of the following provisions: Establishing and maintaining a free system of public schools open to all children of the state; Financing schools (in varying degrees of detail); Separating church and state; Creating certain decision-making entities” (Education Commission of the States, 2000).
maintenance of an egalitarian and democratic society. This notion of equality in education is confounded by the tremendous variance of all aspects of schooling that state-control of education allows.

The values we ascribe to education are both economic and moral, and the competition between these two creates deep divisions in debates about education. How do we ensure equality of educational opportunity while also obtaining the desired diversity of skills required for our economy? How do we inculcate shared values but allow for diversity of beliefs and practices? Vouchers epitomize this debate between economic and moral demands on education as it promotes free market ideals (such as competition and efficiency) and challenges normative claims to transmission of shared cultural norms and values.

Certainly Americans want all public schools to be “good.” But when ideals about public education translate into practice, when generalities require specification to define a “good school”, when the rhetoric about “quality public education” necessitates substantial resources to back up policy initiatives, cleavages emerge amongst public school constituencies. Studying how parents made choices about school attendance in a voluntary desegregation plan, Amy Stuart Wells noted, “Public schools are uniquely situated at the confluence of government policy and private lives. Despite their public funding and democratic governance, schools play an important role in the private decisions we make about how we prepare our children for adulthood” (Wells, 1997, 3). Embedded in these private decisions are deeply held values about what an education should accomplish—values that touch upon “religious, ethnic, professional, social, [and] economic” viewpoints that likely result in each individual defining the goals of education somewhat differently (Wirt & Kirst, 2001, 12). Frederick Wirt and Michael Kirst have noted that very few Americans can agree on answers to the two basic questions of “What should children be taught?” and “Who should do it?”; the different answers to these questions often clash and are, at times, mutually exclusive (ibid). That Americans generally have trouble defining the goals of education and solutions to problems schools face undermines a coherent coalition supporting one educational theory or reform.

Adding to the disagreement over the goals of public school education, current voucher proposals add another contentious dimension by allowing the use of public funds at religious private schools. Religious schools comprise almost eighty percent of private K-12 schools in the U.S. (Broughman & Colaciello, 2001). The First Amendment to the federal Constitution reads “Congress shall make no law respecting an establishment of religion, or prohibiting the free
exercise thereof.” This tradition is fundamental to the foundations of U.S. governance. Jeffrey Henig points out that “Religious beliefs and principles may clash with the beliefs and principles that most Americans expect to be introduced as part of a solid education. Religion is anchored in faith and tradition; science is based on skepticism and experimentation” (Henig, 1994, 68). In the 2001 *Zelman v. Simmons-Harris* decision, the Supreme Court established that the use of public vouchers for parochial schools does not violate the First Amendment (*Zelman*, 2001). This decision, however, has not settled public debate over whether the use of public funds for religious schools is appropriate or legal. At the state level, legal debate over is further complicated by stricter Constitutional language regarding the separation between church and state. This contentious aspect of education vouchers further discourages broad-based support for a voucher program.

**Americans are Loyal to their Public Schools**

Though education is a guaranteed right compulsory in all fifty states, no state law stipulates that students must attend public schools. In the 1925 court decision, *Pierce v. Society of Sisters*, the Supreme Court established that students could acceptably comply with state compulsory education laws by attending private (religious or secular) schools (Yudof, et al., 1992, 10-12). U.S. citizens, however, are extremely loyal to the public school system: over 90 percent of K-12 students in the United States attend public schools (See Figure 2 below) (NCES, 2002).

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44 In addition, 39 state Constitutions contain so-called “Blaine amendments” that explicitly bar aid to religious schools (Becket Fund for Religious Liberty, 2003).
The public education system is thus perhaps the most universal and extensive of all services provided by the government. Individuals of all demographics in all areas of the country have or had some relationship with the public school system. Unlike housing assistance programs with restricted eligibility, public education has massive constituencies; individuals and families in all fifty states and almost all congressional districts have a stake. Education policy proposals thus face the extraordinary challenge of satisfying the extreme diversity of beneficiaries’ interests and needs.

Public opinion polls consistently show that Americans are generally quite satisfied with their own public schools. The annual Phi Delta Kappan/Gallup (PDK) poll of the public’s attitudes toward public schools has found that respondents—especially public school parents—consistently give their local public schools extremely high ratings. The 2003 and 2004 polls found that 61 percent of parents give the schools in their own community a grade of A or B (Rose et al., 2004). Public satisfaction drops dramatically though in regards to the nation’s public schools as a whole. When asked to rate public schools nationally, only 26 percent of respondents graded the schools an A or B (Rose, et al., 2004). Thus, despite the general satisfaction with local schools and school systems, the adult public would appear to support sweeping school reforms on a national level. It is commonplace for candidates from both parties at the state and national levels to call for education reform; the question is no longer if there should be reform but rather which reforms to adopt.
In light of the popularity of reform, public opinion polls have also found that over the past two decades a significant minority of the public (and, in some polls, a small majority) is open to education voucher programs allowing public funds to send students to private schools. The PDK poll notes that though the public first supports reforms focusing on the existing public school system, it “does not preclude the consideration of alternatives such as vouchers…[as a] proposal for change” (Rose et al, 2004). Support for vouchers hovered around 45 percent during the end of the 1990s and in 2004, 42 percent of respondents supported vouchers as a potential school reform, with 54 percent opposing it (Rose et al., 2004). Support for vouchers in the PDK poll hit an all time high in 1991 at 50 percent, with only 39 percent of respondents opposing (Elam et al., 1991). Terry Moe (a voucher advocate) found in his 1995 survey of 4,700 adults throughout the country that 60 percent of respondents and 57 percent of parents supported vouchers as a possible means of school reform (Moe, 2001, 211). Even more startling, he found that 77 percent of inner-city parents supported educational vouchers for their children (ibid). The public opinions polls thus suggest that a majority of parents tend to support the institution of public education, especially their own, but that significant minorities (and in urban centers, plausibly a significant majority) would support voucher alternatives. Parents’ allegiance to public schools may not then be the cause for the paucity of voucher initiatives across the U.S.

Educational Values as Potential Roadblocks to Federal Educational Policies

Perhaps because education is a universal good that touches so many lives, there is less agreement about the goals and content of public education than of housing. Education rests at the intersection of the public interest with private values. Whether for its importance or its contentiousness, public education has and continues to be within the local purview; the diversity of beneficiaries and their attendant values has challenged the formation of a coherent national agenda for education. Housing assistance programs, like education, are also burdened by multiple (and conflicting) goals, but a prevailing interest in economic development has trumped advocacy of a social right to housing.

Voucher proposals for housing and education engage the question “who should do it?” – the public or private sector? But education voucher proposals, unlike housing, also raise the thornier question of what services should be rendered. In other words, housing is a material good for which there are quantifiable outcomes that are fairly easy to regulate (via codes, inspections, permitting,
etc.). But education develops human capital (thus a greater diversity of inputs), engages questions about what we want taught (raising tension between common values versus diversity of beliefs), and is more difficult to regulate (due to varying inputs and qualitative goals and outcomes). We will argue that the varied expectations for education stemming from value divergence have discouraged the formation of a coherent national education policy. This has left education voucher proposals to localities where competition for resources effectively limits the reach of voucher policy.

**What Role Do Interest Groups Play in Forming Housing Policy?**

The periodic ascendance of certain values in housing policy can be partly attributed to the resonance of interest groups’ agendas with outside environmental variables. For example, realtor and landlord associations floated market-based proposals emphasizing consumer choice (via vouchers) for decades before gaining success. Voucher proposals made during the 1930s and the 1950s lost out to supply-side production policy; it was not until 1974 that a significant demand-side voucher policy was enacted. By 1974 outside environmental variables had changed in a way that made voucher proposals appear more amenable and practicable.

Voucher policy adoption did not only hinge on the presence of new administrator advocates; it also required growing dissolution with the other alternatives in order to overcome Congressional resistance to change. In this sense, interest groups influenced policy by forming ties to Congressional committees that then were more impervious to radical change. Congressional committees instead favored compromises that continued to provide benefits to key interest groups. This is evident in the adoption of Section 8 voucher policy.

The effectiveness of broad-based coalition advocacy in combination with outside environmental factors to determine policy is evident in the 1930s national housing policy. At the time the federal government first considered what policy approach to adopt, there were both sharp economic needs and influential lobbies dictating the approach. The precipitous decline in housing starts, huge unemployment in the building trades, and decades long concern with substandard housing stock all suggested that production policy was best. But the coalitions that formed around production policy were also effective in promoting production. Frustrated advocates and government administrators were tired of ineffective restrictive legislation to improve housing conditions, and turned to public housing production as a way to relieve overcrowding and deteriorating housing stock (Mitchell, 1985, 7). Organized labor and building
trades lobbied for housing production subsidy to not only get jobs but also to obtain low-rent homes. Harry Hopkins of the Federal Emergency Relief Administration testified before Congress that one-third of families on the relief rolls were in building trades, establishing the government’s economic interest in providing jobs of this sector (ibid). Meanwhile, the tenement house movement had successfully scapegoated “slumlords”, arguing that vouchers would line the pockets of landlords rather than cause improvements in housing standards (Friedman, 1968, 216). In light of the devastating hit on the construction industry and the dim view of urban landlords in the 1930s, it is not surprising that the National Association of Real Estate Boards voucher proposal fell on deaf ears.

Vouchers were again contemplated and rejected in the 1950s, but for different reasons than in the 1930s. Eisenhower’s President’s Committee on Government Housing Policies considered it “degrading to recipients”, that it wouldn’t solve the housing supply problem, and there was no way to limit the scale of the program (Carlson & Heinberg, 1978, 49). Senator Robert Taft, a strong advocate of public housing, vocally rejected vouchers for these reasons, adding that vouchers would be more costly than public housing (Mitchell, 1985, 200). Interestingly, cost effectiveness and empowering recipients were the primary reasons that HUD and Nixon supported the vouchers when adopted in 1974.

Context Matters

That the same arguments were used both for and against vouchers at different times suggest that context played a big role in the perception of vouchers. Winnick argues that the reason vouchers gained passage in the 1970s was because the nature of the housing problem had changed. Among the changes he cites were a shift from severe shortage in supply of housing to a relatively sufficient stock of code-compliant housing by the 1970s, the rise in cost of developing and operating multifamily housing, the malfeasance of HUD and builders in operating production programs, and “the scourge of a hard-core underclass whose deficits of income were dwarfed by appalling deficits in behavior” (Winnick, 1995, 97). Incendiary language aside, Orlebeke, Deputy Under Secretary for Policy Analysis and Program Evaluation at HUD at the time, also attributes the shift not to interest groups but rather to the perception that HUD production numbers had “gotten out of control” (Orlebeke, personal interview, November 17, 1974).

45 The National Association of Real Estate Boards later changed to its current name: National Association of Realtors.
Indeed, subsidized housing production peaked in these years when starts grew from 197,000 in 1969 to 431,000 in 1970 (Orlebeke, 2000, 496). HUD officials got nervous about saturation and overreaching when subsidized housing starts comprised 25 percent of all housing starts in 1970 (Orlebeke, 2004).

However, attribution of policy adoption entirely to outside environmental variables under represents interest groups’ influence on policy. The nature of the housing problem had changed by the 1970s, but the reasons for the change included influential groups such as the National Association of Home Builders (NAHB). By the 1960s – 1970s, NAHB was considered the "most effective group concerned with housing and urban development, and one of the most effective in all Washington" (Lilley, 1971, 30). They had developed very close ties with the House and Senate banking and currency committees, and had historically spent most of its efforts on tax expenditure policy such as mortgage insurance and mortgage credits. As Representative Ashley summarized in 1971: "Historically, they have worked to soften the government up so it's a patsy for tight money bail-outs. Recently, they have gotten religion about government subsidies. Before, they used to be opposed to government intervention for all kinds of ideological reasons. Now they've flopped over and are making a good thing of it. They really hustle the Southerners in Congress for the subsidies and the cheap mortgage credit" (Lilley, 1971, 31).

Only by the late 1960s had NAHB shifted from opposition to support for federal subsidies for housing production (ibid.) But once they did, they drafted key sections of housing legislation including the historic 1968 Housing Act--the Act touted by public housing advocates for its ambitious housing production goals. Ironically, it was NAHB who pushed HUD to commit to a 10-year timetable and annual housing production goals, and it was NAHB who did the political legwork to establish consensus amongst key housing advocates (Lilley, 1971, 37). It was also NAHB who worked both political parties to gain passage of two new production programs in the 1968 Act: Section 235 under which home purchasers can get FHA-insured mortgages that were subsidized down to a interest rate as low as 1%; and Section 236 to provide

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46 There is substantial literature on the effects of mortgage subsidy on suburbanization since World War II (Massey and Denton, 1993; Hays, 1995). As is well-documented, federal highway construction, favorable policies to builders and homeowners, and segregationist policies promoted white flight to the suburbs, profoundly impacting urban cities. This was an enormous factor contributing to cities’ crisis by the early 1970s.
47 NAHB called joint meetings with the National League of Cities, the US Conference of Mayors, National Association of Housing Redevelopment Officials (the public housing authority association), the National Association of County Officials, the Chamber of Commerce and AFL-CIO to get consensus on the idea of numerical targets and annual reassessment of the government in reaching the annual production goals.
FHA-insured 1% mortgage financing to multifamily rental developers in exchange for the units being leased at below-market rents to low and moderate income tenants.

NAHB’s close ties to Southern representatives in particular meant it had a good access to committees in the House and Senate that were hugely influential in stalling or moving housing legislation. The South, home to a large share of public housing and where builders figured prominently in the political and economic power elite, stood to benefit from builder-friendly policies (Lilly, 1971, 34 and Lilley, 2004). Senator Sparkman, a staff member of the Senate Banking, Housing and Urban Affairs Committee, was a longtime housing influential and a “friend” of NAHB. Representatives from rural districts also resisted more “urban-friendly” programs such as Model Cities, the proposed formation of a Department of Community Development that was to be city-oriented, favoring instead NAHB-conceived construction programs like Section 235 and 236. Thus the observation that the housing supply problem was essentially solved by the early 1970s had much to do with interest groups’ prior effectiveness in obtaining housing production legislation.

NAHB’s sway, along with pro-productionists like NAHRO, U.S. Conference of Mayors, National League of Cities, meant that many legislators tended to resist policies shifting subsidy away from production. When Daniel P. Moynihan and HUD Secretary Lynn met with Nixon in the early 1970s to pitch a cash rather than place-based subsidy approach, Nixon offered his strong support but warned that it would die with Congress members such as Senators Long and Sparkman, who were NAHB-friendly pro-productionists (Lilley, 2004). It required political scandals and mounting resistance to Section 235 and 236 construction programs to force legislative change in productionist policies (Kearney, personal interview, December 14, 2004).

Failure Breeds Opportunity

By 1971, scandals around the Section 235 and 236 programs erupted, as accusations and indictments spread regarding kickbacks to corrupt realtors, lenders, and builders resulting in defaults on FHA-insured mortgages. The Wall Street Journal, Business Week, National Observer, and the National Journal carried stories on the scandals (Hays, 1995, 113). Builder oriented policies were starting to gain a reputation for boondoggles of shoddy construction and high cost. An aide to Senator Proxmire summarized in 1971: "... as 235 and 236 accelerate and become more visible in suburban and rural areas, the homebuilder demand for the production
subsidies will generate substantial political opposition. . . . These subsidies are going to resented, especially by the guy at the end of the line who is just a little bit too rich to qualify for the program. It didn't matter with public housing. That was invisibly sited in the ghetto and insignificant numerically. This stuff is visible and is big business, several hundred thousand in just two years, and a lot of it in the suburbs” (Lilley, 1971, 44). Lilley, Deputy Assistant Secretary under Secretary Lynn at this time, describes congressional committees as “beside themselves” with the scandals (Lilley, 2004).

With terms like “debacle” and “crisis” applied to HUD programs and urban blight in general, a housing policy vacuum opened as officials cast about for alternatives. A housing production aide to Romney said, “The great hope of 1968 [Housing Act] is dead—that if you have the poor a home, they would develop pride and become like the middle class” (Lilley, 1972B, 1081). Nixon’s 1973 declared moratorium on all new housing subsidy commitments publicly acknowledged that housing policy was broken. The moratorium “squashed what was left of the spirit of ’68 [housing production goals]” (Orlebeke, 2000, 502). Nixon ordered Jim Lynn, the new HUD Secretary appointed in February 1973, to assess all the HUD programs and make recommendations for alterations.

The internal housing study of 1973 to take stock of HUD’s programs was where the voucher proposal was fully developed. Dan Kearney, Deputy Assistant Secretary of Housing Production and Mortgage Credit, was tasked to review HUD’s housing production programs. He felt that Section 235 and 236 “couldn’t be fixed,” that HUD was too tilted towards production, and that it needed to get away from mortgage subsidies and subsequent risk of default. He explained that interest groups did not inform HUD’s embrace of vouchers but rather that the “fatal flaws” in production programs convinced him that demand-side subsidy was a more efficient, better approach (Kearney, 2004). A student of the University of Chicago school of economics, Kearney recommended in the 1973 Housing Study that HUD redirect its resources to vouchers and away from production. Secretary Lynn strongly supported this proposal and there was a sense of strong commitment amongst the “Lynn group” that HUD “wouldn’t go back to the old programs” (Kearney, 2004). Accordingly, Lynn went “anywhere, anytime” to sell the Section 8 existing housing voucher program, and spent late nights discussing the merits of the proposal with legislators such as Thomas L. Ashley (ibid).
HUD support for a voucher approach was not entirely new, but Secretary Lynn’s appointment in 1973 shepherded in administrators that were willing to “do something radically different” (Kearney, 2004). The previous HUD Secretary Romney had advocated a voucher approach, but supported it based on his observations of the failure of housing production programs like Sections 235 and 236. Romney argued for vouchers not only for reasons of cost efficiency, but for racial integration and to avoid conflicts over sitting new public housing (Lilley, 1972B, 1083). Lynn’s appointees placed greater emphasis on a Moynihan cost effectiveness approach. Lilley, one member of the Lynn group, emphasized that the new appointees had “no ties to the past” (Lilley, 2004). The top HUD appointees under Secretary Lynn thought “government was very inefficient at building housing”-- period (ibid). They wanted to go “100 percent voucher” by terminating all future allocations to construction of public housing and to allow existing public housing to expire. To the Lynn group, HUD was a broken agency in need of major repair.

Considering HUD’s strong stance under Secretary Lynn in favor of existing housing vouchers and against production policies, it is testament to the residual power of Congressional interests that the new Section 8 program passed in 1974 was tri-part: housing vouchers for existing housing, funds for new construction, and funds for substantial rehabilitation. The voucher proposal was “highly controversial” and interest groups such as NAHB and NAHRO registered their strong opposition to the proposal with Kearney. The Section 8 new construction program was a concession by Congress to Section 236 builders, as shown by the fact that 69 out of 100 Section 8 new construction builders in 1978 were involved in previous HUD programs (Hays, 1995, 152). In this sense, Section 8 new construction was subsidy under a new name.

Despite the controversy, by the 1970s a voucher proposal could accommodate a host of interests: realtors, landlords, housing preservationists, dispersalists, anti-productionists, free marketers, mayors (interested in increasing demand for their softened housing markets), and public housing administrators. That the promise of housing vouchers appeared to satisfy the many ends of its advocates surely aided its passage. While interest groups were not key to the

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48 Although the Section 8 enacted was tri-part, the vouchers were put into operation much more quickly than the new construction and rehabilitation components. When Carla Hills was appointed HUD Secretary in 1975 she found that the Section 8 new construction and rehabilitation programs still had no regulations. (Hays, 152). Kearney explains that the quick implementation of existing housing program was due to the preexistence of program guidelines from Section 23 whereas the new construction and substantial rehabilitation regulations were delayed due to debates about appropriate Fair Market Rent levels plus his departure from HUD to become President of Ginnie Mae (Kearney, 2004).
passage of Section 8 vouchers in 1974, they did influence previous policy whose apparent weaknesses catalyzed a shift towards vouchers.

**Do interest groups explain the failure of education vouchers to take hold at the federal level?**

Educational vouchers serve as a direct alternative to the public school system—an institution to which Americans are extremely loyal. Therefore, voucher proposals have immediately prompted outcry from groups and individuals with a vested interest in the public school system—e.g. teachers unions and parents. Advocates, meanwhile, promote vouchers for disparate reasons—from creating equity for disadvantaged students, to allowing market forces to improve the quality of all schools through competition, to allowing freedom of choice for parents who believe in sending their children to religiously-affiliated schools. In a time of greater acceptance of school choice, the diversity of reasons for supporting vouchers has “mobilized a broad range of interests” groups outside the education system (e.g. business groups, Catholic associations and organization for the “Religious Right”, and civil rights groups) and “participants [who do not] normally dominate [educational] policy decisions” (Cibulka, 2000, 150). The extremely varied reasons to support vouchers have resulted in unlikely coalitions that span ideological and demographic spectrums. The participation of these additional groups in the political discourse around vouchers has checked the political clout of educational professional organizations who oppose vouchers. Within this context, no one specific group has a clear upper-hand. The changing political clout of interest groups for and against vouchers are likely to continue to influence the reception of voucher proposals in the future.

**Early Voucher Proposals: Groundwork Lain in Theory**

The first publicly-funded voucher plans were political attempts to avoid desegregation orders following *Brown v. Board of Education*. In the 1950s and 1960s segregationist state governments in the South gave money to white parents to send their children to private segregation academies” to avoid integration/also when public schools closed to avoid integration-gave to white students to attend “segregation academies” (Henig, 1994, 104-106). Five southern states had such voucher laws, which provided monetary support for a large number of private schools in the south before state courts eventually struck them down as unconstitutional (ibid.). By the early 1960s, however, more that 8, 500 white students were
receiving more than two million dollars from states for the intended purpose of avoiding racial integration (ibid.).

The call for the “modern” form of vouchers (to increase efficiency and promote choice) come from outside the political realm. The economist Milton Friedman promoted the idea in his 1955 article “The Role of Government in Education” and expanded the proposal in his 1962 book *Capitalism and Freedom* (Wells, 1993, 129-140). Friedman (1962) accused the public school system of operating like a monopoly, resulting in a lack of incentives for schools to operate efficiently or provide quality. Friedman’s solution was for the government to provide education subsidy directly to parents in the amount the government spent to educate that child in the public schools. Parents could use this subsidy to send their children to any school they chose. Competitive forces rather than monopolistic ones would improve the overall quality of schools as parents would abandon “bad” schools in place of “good” ones, forcing the low quality schools to shut down (Friedman, 1962). According to Friedman, competition would be the tide that would lift all boats.

Although largely neglected at the time, Friedman’s ideas eventually found an unlikely audience—especially given the history of vouchers for use by southern whites to avoid integration during the 1950s—in liberal academics in the 1960s and 1970s looking for answers to the crises of the urban ghettoes, school busing, and low achievement by urban, minority students (Moe, 2001, 19-24). Liberal sociologist Christopher Jencks and legal scholars John Coons and Stephen Sugarman, after studying the problems of the of urban ghettoes and their low-quality urban schools separately proposed versions of Friedman’s voucher idea in 1970s as a way to facilitate these disadvantaged students exodus from the poor, inner-city neighborhoods, at least for school (Jencks, 1970; Coons & Sugarman, 1978). These two plans treated vouchers as a means to greater social equality. Their plans called for regulation of the subsidy provided to students and called for geographic targeting of voucher distribution. Students from poorer families would receive larger subsidies to serve as an incentive for private schools to accept these students (Moe, 2001, 19-24). These early equity-based calls for the use of education vouchers continue to influence the political discourse on vouchers.
Education Vouchers Meet Politics

Bipartisan political support for vouchers formed when liberal academics advocacy of vouchers as a potential means for social justice complimented President Nixon’s president interested in exploring the possibilities for the use of public funds for private schools (Cross, 2004, 42-43). In 1972, Nixon commissioned the Office of Equal Opportunity (OEO) to carry out an education voucher experiment in five districts, using Jencks’s plan for vouchers (Cross, 2004, 42-43). The OEO was only able to find one willing school district to test the voucher plan—Alum Rock in San Jose, California (Henig, 1994, 67).

The government-commissioned experiment of vouchers immediately encountered opposition by groups associated with the public school system—most notably teachers unions (Wells, 1993). By this point, National Education Association (NEA), the largest and most prominent teachers union, had a considerable membership at local, state and national levels—about a total of 1.8 million members from all fifty states and an average of 4,000 members in each congressional district (Stephens, 1983, 683). At that point, “[n]o other union was at once so large and so widely spread” (ibid.). Though unable to stop the experiment completely, the NEA used this strength in numbers and the political clout it brought to greatly water-down the Alum Rock vouchers experiment. (Wentworth, 1970, A1). In response, the experiment dropped private schools, restricting eligible participants to only public schools, seriously undermining the attempt to assess the effect private school competition might have on public schools (Henig, 1994, 67). Because of the partial implementation, low levels of participation by students and schools, and the rural character of the district, results from the experiment were inconclusive and ungeneralizeable. The experiment was abandoned in 1977.

After the Alum Rock experiment fizzled, vouchers generally disappeared from political discourse about education for the rest of the 1970s. President Ronald Reagan’s election in 1980, however, brought a resurgence of support from the executive branch for education voucher idea (Stanfield, 1983). Reagan wanted to reduce federal bureaucracy in all areas of governing and saw privatization, block grants, and demand-side policies such as vouchers as a means to achieve this end (Stanfield, 1983). Reagan also ran on a Republican platform endorsing school prayer in 1980, which drew the support of the “Religious Right” and Catholics as part of his core voting constituency (“White House”, 1981). Religiously-affiliated schools comprise eighty percent of
private schools and thus stood to potentially gain a new source of revenue with the passage of a vouchers plan.

Over the course of his presidency, the Reagan Administration put forth three different proposals (in 1983, 1985, and 1986) for education vouchers (Henig, 1994, 72-73). All three proposed to replace Title I funding (that was part of the Elementary and Secondary Education Act and targeted disadvantaged students) with voucher payments. None of the three proposals garnered more than minimal support in both houses of Congress (partly due to high levels of support for Title I), even from within the Republican party. Due to the repeated failure to gain passage, each successive proposal included increasingly less extreme versions of a voucher plan (ibid.).

Education professional organizations like the NEA and the American Federation of Teachers (AFT), the second largest teachers union, staunchly opposed each of these voucher proposals, testifying against the voucher proposals during congressional hearings (Cross, 2004, 74-76). A minimal number of religious organizations—e.g. Focus on the Family, the largest conservative Christian interest group, which focuses on an array of political issues and presently has an annual budget of $90 million and a mailing list of over four million households— came out in support of the Administration’s voucher proposals (Wirt & Kirst, 2001, 84; “Focus on Family”, 2004). These religious groups had clout with certain members of the executive branch such as Reagan’s second Secretary of Education, William Bennett, and his undersecretary, Gary Bauer, both of whom had ties with Christian conservatives (Yoder, 1985, A23).

The lack of support for all three voucher proposals even by ardent Reagan supporters (Stanfield, 1982) suggest that a lack of convincing empirical evidence for vouchers’ merits undermined Congressional and the general public’s support. (Peterson, 1982; Henig, 1994, 84-86). Albert Shanker, then president of the AFT, conceded that the dearth of evidence played a greater role than interest groups’ opposition (such as AFT) in defeating the proposals (Oreskes, 1983, A1). When Reagan’s successor, George Bush, came into office, he used the lessons learned from these voucher defeats and only supported public school choice for education (Cross, 2004, 101).

49 The 1986 proposal allowed school districts to decide whether they would use Title I funds for vouchers and, if so, whether religious schools would be included in the choice plan (Henig, 1994, 80).

50 The AFT, like the NEA, is well-organized at the local, state and national levels, with “affiliates in one-half of the states and an 875,000 membership concentrated in large cities” (Wirt & Kirst, 2001, 79).
Education vouchers enjoyed a huge surge of publicity and (seemingly got) the needed empirical support with the publication of John Chubb and Terry Moe’s book *Politics, Markets and American Schools* in 1990. The authors used test score data to claim that students in “market-driven” (a.k.a. private) schools did better than in “democratically controlled” (a.k.a. public) schools. They ran multiple regressions to prove that the organization of the schools was the most significant predictor of the higher achievement (though their statistical integrity of their study has since been questioned) (Chubb & Moe, 1990; Wells, 1993, 154-157). The use of empirical evidence to tie private school vouchers to improved achievement gave voucher proposals much more political weight, drawing support for the voucher concept from many powerful interest groups including those beyond education-related fields (Cibulka, 2000, 150-152). President Bush responded to the sudden political and public popularity in 1991 and endorsed publicly-funded vouchers for private school choice as part of his *American 2000* plan (Cross, 2004, 101).

Like Reagan before him, Bush advocated the use of vouchers as a means for disadvantaged students to escape the failing schools (ibid.). The powerful teachers unions (namely the NEA and AFT) continued to oppose vouchers and immediately lobbied to kill the American 2000 bill (which also included testing provisions to which they were opposed). The National School Boards Association, as well as organizations committed to the first amendment separation of church and state such as the American Civil Liberties Union (ACLU) also came out in opposition (Belfield & Levin, 2004). But these interest groups were heavily associated with the Democratic party and generally had little clout with Republican presidents or legislators (Cibulka, 2000, 150-151; Wirt & Kirst, 2001, 79).

This time around the teachers unions had formidable pro-voucher adversaries in interest groups associated with the Republican party such as politically-connected business lobbies and the more established Religious Right. These powerful business lobbies, applying lessons from the corporate world to education, ascribed the idea of competitive markets leading to more efficient and better-run schools via competition. The National Business Roundtable, which represents the CEOs of the nation’s 201 largest corporations, lobbied for vouchers (Wirt & Kirst, 2001, 82-83). Eight major business organizations—the National Alliance of Business, Committee of Commerce, the National Association of Manufacturers, the Conference Board, the American Business Conference and the U.S. Hispanic Chamber of Commerce—joined to form
the Business Coalition for Education Reform that focuses its efforts on supporting effective educational legislation at all three levels of education (ibid.). Several Catholic and new conservative Christian groups also joined the pro-voucher side. Groups like the Christian Coalition, which started in 1989 and quickly grew to between 400,000 and 450,000 members with local chapters in all fifty states, used their manpower to coordinate letter-writing campaigns and lobby at the federal level in favor of vouchers (Wirt & Kirst, 2001, 84; Kennedy, 2001).

One unlikely faction, inner-city minority parents, has emerged over the past decade in favor of vouchers, crossing party lines. Groups like the Institute for Justice in Washington, DC, a legal advocacy group, represent such inner-city, disadvantaged parents looking to secure education vouchers for their children (Wells, 1993, 157). Cibulka (2000) has noted that, with this support from urban, minority parents for a generally conservative policy, “the traditional liberal coalition, which proved so durable on many social policy questions for decades, has come apart on this question, with many on the political left, as well as political centrists among both Democrats and Republicans, willing to support [vouchers]” (151).

Bush’s 1991 proposal failed to pass, however. The deciding factor appeared to be partisan politics: the Democrats generally opposed the vouchers and testing measures contained in the bill while the Republicans believed the curriculum standards violated the tradition of local control of schools (Cross, 2001,102). These factors made the bill unpopular on all sides with the net result that is was simply dropped (ibid.). Further, each side of the voucher debate has strong and politically potent interest groups working toward its end. The anti-voucher coalition holds very little clout with Republican legislators; and the same generally holds true with the pro-voucher coalition with the Democratic party (with the exception of the urban, minority parents). Partisan politics appears to have driven the more recent defeat of federal education voucher proposals. However, the lack of coherent opposition within the Democratic party to vouchers accompanied by the general decline of teacher unions’ political clout may allow for passage of future variations on voucher legislation.

A Variant Case

Up to this point, national education vouchers have failed to pass in any form at the federal level. If our interest group hypothesis were to explain this failure up to this point, then the power and clout of the anti-voucher groups we have named would fundamentally be too great to
allow for passage of voucher legislation. In 2003, however, the federal government did narrowly pass (by one vote in the House of Representatives) a voucher plan specifically and only for the District of Columbia’s public schools. The NEA and AFT launched concerted efforts to kill this legislation, with the NEA actually raising membership dues in part to fund this effort (Hsu, 2003, A6). The mere fact that this plan passed—a plan for which the constituency was extremely small, and to whom those voting on the bill (representatives from other states, not the District) do not have to answer—shows that the anti-voucher groups are not able to universally defeat voucher proposals. But the narrow scope of the voucher plan (contained to one district and a very small number of students) suggests the limitations on larger-scale voucher proposals in the future.

Voucher proposals affecting parents across districts (namely suburbs) and significant portion of students are likely to meet much reduced political support. Certainly the evolving political clout of pro- and anti-voucher groups is likely to influence partisan positions on vouchers. But institutional resistance to adopting a large-scale education policy at the federal level is likely to discourage national education voucher plans that reach deeply into the system of public schools.

**Do Institutions Make a Difference?**

The early and continued federal experience with low-income housing production programs established a precedent and federal capacity that contributed to the viability of a national voucher program. The federal institutional framework provided a relatively stable source of funding to test new policy ideas via pilot programs and experiments, develop capacity, commission reports to analyze and redirect policy agendas, and simply accrue experience. Ironically, the perception that housing production programs failed helped generate support for its alternative. The history of housing assistance at the federal level meant that state and local capacity did not develop as quickly (Goetz, 1993, 1). At the time of vouchers legislation in the 1970s, HUD wished to site its operation at the state level but concern over state Housing Finance Agencies’ lack of capacity meant that HUD retained control of the voucher program (Kearney, 2004). The gap in capacity between the states and federal level lends support to Hacker’s thesis about the self-perpetuating nature of policy and the subsequent difficulty to change institutions once embedded (Hacker, 2002, 27).

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51 The federal government has full budgetary authority over the District’s public schools. The proposal passed by this very narrow margin after being rolled into an omnibus budget bill (Hsu, 2003, A6).
Housing assistance programs such as public housing and housing vouchers may have continued to be federally administered due to the fact that “housing policy was being used primarily as a means of achieving non-housing objectives” (Goetz, 1993, 25). Historically, the bulk of national housing policy was to rejuvenate the financial or construction industries, create incentives for homeownership, provide jobs, or to revitalize central business districts (ibid). Fiscally speaking, housing assistance programs have lived in the shadow of the much larger tax expenditure programs. To the extent that housing assistance programs were simply an add-on to other federal housing policy, they may have enjoyed a longer tenure at the federal level. Current debate about block granting Section 8 vouchers and the Bush administration’s criticism of the program suggest that this may soon change.52

Hacker in The Divided Welfare State observes that “early policy choices transform[] the menu of future options by pushing policy down self-reinforcing paths from which departure may be difficult” (2002, 26). There is evidence of self-perpetuation even in the fallout from scandals about subsidized housing production programs53; the political backlash did not result in a simple reversal of production programs. Due in part to NAHB pressure on the Senate, Section 235 and 236 were not discontinued, but rather retained (reduced) funding under the 1974 Act. Funding for public housing was maintained, but at low levels. Likewise, the three-part structure of the Section 8 program represented a compromise to satisfy both the earlier beneficiaries54 as well as the Moynihan cost-effectiveness constituency. Also, the newly created Section 8 program operated at the federal level, a remarkable feature given that the bulk of the 1974 Housing and Community Development Act was dedicated to block granting out numerous categorical grant programs though the creation of CDBG program. Although the 1974 Housing Act was not strictly “business as usual,” its compromises between production and consumer subsidy show a structural conservatism that discourages radical change.

As discussed above, HUD officials attribute some of the political impetus to initiate the housing voucher program to the steep increase in subsidized housing production by the early 1970s. Precisely at the point that HUD was delivering on its ambitious 1968 production goals

52 The New York Times ran an op-ed piece by HUD Secretary Alphonso Jackson on August 6, 2004 that criticized the “spiraling costs” of Section 8 vouchers and argued that it robs other housing programs. The Administration’s proposed FY 2005 budget released in March 2004 also recommended cuts to Section 8 and to block grant the funds to states to operate the voucher program.

53 A clear marker of the shift was November 1, 1972 (the day before national elections) when Senator William Proxmire—historically an advocate of public housing and member of Housing Subcommittee of the Senate Banking Committee and chair of Senate Appropriations Subcommittee on Housing—issued a press release sharply attacking housing production programs (Orlebeke, 2000, 499).

54 Earlier beneficiaries include home builders, mortgage bankers, realtors, and public housing authorities.
enough political will formed to stanch production and turn to demand-side subsidy. Within HUD there was second-guessing about the steep rise in production as the future obligations mounted, and as subsidized housing starts comprised an increasingly large share of total housing starts (Orlebeke, 2004). Despite the Nixon administration’s early public embrace of the 1968 goals, by 1971 the President’s Third Annual Report on National Housing conveys deep ambivalence about production: it ponders the “runaway inflation of housing costs” (22); if the new housing was contributing to the inner city vacancy rates (21); the “staggering total” costs of the 10 year production goal set forth in the 1968 Housing Act (22); and the fact that the newly constructed housing was not aiding the poorest of the poor (24) (Orlebeke, 2000, 498). Advocates claimed that vouchers addressed each of these concerns: they were more cost effective, they used existing housing rather than adding to housing supply; and they could be targeted to lower income households.

Aside from the broad-based appeal of vouchers at this time, there were seeds that germinated due to the institutional framework that helped to result in voucher passage. Presidentially sponsored committees such as the Kaiser Commission in 1968 called for an experimental program of housing vouchers. This recommendation was picked up and promoted within HUD as reflected in the 1971 President’s Third Annual Report on National Housing (Hays, 1995, 146). Senator Brooke added an amendment to the 1970 Housing Act authorizing $20 million in FY 1972 and 1973 to start “the most expensive field test of its kind” to test vouchers’ impact on demand and supply of housing (Winnick, 1995, 106). And a small HUD program (Section 2357) permitting public housing authorities to lease rental units in existing private housing to rent out to low-income households essentially served as a pilot program for existing housing vouchers, which proved popular and successful. Thus the Section 8 voucher proposal benefited from well-established practices in leasing existing housing (via Section 23) and from public housing formulae and eligibility standards (Khadduri, personal interview, November 16, 2004).

Since the 1970s the voucher approach has continued to enjoy bipartisan support and has been deemed “among the most successful of HUD programs” (Khadduri, 2003, 240). By 2003, the Housing Choice Voucher program was the largest housing assistance program, spending about $11.5 billion per year to more than 1.6 million voucher holders (ibid, 235). The program represents approximately 50 – 56 percent of HUD’s annual outlays (Center on Budget and Policy Priorities, 2004). The 1982 President’s Commission on Housing determined that vouchers were

55 In 1970 there were 431,000 subsidized housing production starts, which comprised 25% of total housing starts. This compares to the mid-1950s when subsidized housing starts comprised 2.2% of the total.
56 Section 8 existing housing program was enacted before the first results from the Experimental Housing Allowance Program were available in 1975, suggesting the political rather than research-driven nature of its enactment (Khadduri, 2004).
57 Section 23 Leasing Housing Program, enacted in 1961, was the first federal program to subsidize renters occupying private market housing. It was replaced by the Section 8 existing housing program enacted in 1974 (Orlebeke, 2000, 494).

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the most efficient way to help the poor. (President’s Commission on Housing, 1982, xxiii). In 1982 the Congressional Budget Office published a study showing that annual per unit subsidy for Section 8 existing housing was less than half of that for the new construction program (Hays, 1995, 160). By 1988, there was emerging consensus that vouchers were a success; the Urban Institute published a report in 1990 that the “heated voucher/production debate [had] largely subsided” (Turner & Reed, 1990, 7). In 2002 the General Accounting Office and the Millennial Housing Commission both deemed the program cost effective, if not the most cost effective of the housing programs.

Despite the popularity of the program, the program’s future at the federal level is uncertain. The Center on Budget and Policy Priority predict that the President’s proposed FY 2005 budget will result in cutting 250,000 vouchers. The Bush proposal to block grant vouchers claims that it will allow for increased flexibility and increase efficiency by having a smaller number of administrators (by moving administration up from local and down from federal to state level (Khadduri, 2003, 243). The increased state and local capacity since the 1980s to administer the program suggest that block granting may be more administratively viable than during the 1970s. If the program were to be block granted, though, there are reasons to fear that federal allocations will further decline (Conlan, 1988, 160).

Institutions and Educational Policy

Unlike public housing, “[l]ocal control has been a hallmark of American education [from its inception], distinguishing the U.S.A. from most other Western nations” (Wirt & Kirst, 2001, 209). Education, though compulsory for all children, is not mentioned nor referenced in the federal Constitution. Because of the tradition of local control, federal involvement in education has been contested and divisive; it is often pejoratively considered an “intrusion” rather than “assistance.” Any federal involvement has generally been in the form of monetary support for specific and targeted purposes; the federal government has generally not functioned to set education policy.

The institutional constraints that stem from this precedence of local control has made passage of a federal education voucher bill unviable, leaving local and state governments to craft
or propose education voucher policies. Given competition for resources and political resistance to interdistrict choice plans, general education voucher policy has only gained acceptance in urban districts with poor education performance. Even where voucher proposals have gained passage, intradistrict voucher programs exist on the margins of the public schools’ budget and operations.\textsuperscript{58} In short, the lack of federal involvement and funding has effectively limited the scope of education voucher policy.

The fact that a majority of Americans has some stake in public education means a majority of federal legislators have some stake in local education policies via their electoral constituency. But the large constituencies for education—teachers, parents, school administrators, business community, churches—exacerbate the challenges of finding an education initiative upon which most can agree at the federal level. The breadth of education constituencies is confounded by the many (and conflicting) goals of education. The net effect is that federal policy has stressed in the main that states and localities should establish education standards and policy.

The federal government’s limited role historically (and, correspondingly, the few federal education programs) further deters the initiation of new federal education programs. Ironically, the absence of perceived failed federal education programs has deprived voucher proposals of one possible source of political support (as was the case for housing vouchers). A paucity of federal programs has also meant that the federal government has not developed substantial capacity and experience in crafting and administering education policies. In short, the limited federal role in education (due in part to the uniquely difficult challenge of crafting national education policy in the U.S.) has retarded the education voucher movement’s ability to gain more widespread implementation. States and localities face formidable political barriers to implementation of education vouchers that make passage of major voucher proposals unlikely.

**Federal Education Policy: Limited and Targeted**

A reticence on the part of the federal government to assume a prominent role in education policymaking has transcended decades of public debate on the matter. Conjointly, state and local officials have remained deeply committed to the tradition of local control of the schools, and have thus fought most attempts by the federal government to insert itself into educational affairs.

\textsuperscript{58} Milwaukee, Wisconsin’s voucher program, by far the largest, providing vouchers for 15,000 students, only serves about 6.5 percent of the district’s total K-12 students. Nationwide, voucher programs only serve less than 1% of K-12 students (Hochschild & Scovronick, 2003, 124).
This history of local control has put federal education policymaking on a path that makes radical reform initiatives like vouchers at the federal level unlikely and unpopular.

Public education became a topic of national concern during the 1950s when the baby boom generation—a national population phenomenon associated with World War II—reached school age. School enrollment surged by almost fifty percent as state and locales struggled to meet the increasing demand for school places (Furman, 1949, 1). The burgeoning student population required additional spending on education that most states did not have, prompting calls from states to the federal government to help financially (Cross, 2004, 5-6). Up to this point, the federal government had only provided limited support for vocational education programs within states, with the explicit purpose of creating and sustaining an effective work force (NCES, 2002). Little precedence existed for the role the federal government should play in this growing crisis.59

The debates surrounding how the federal government should respond set the stage for future federal bills to avoid “general” educational aid that tended to get tangled in controversy about distribution and recipients, and instead favor targeted aid with little to no programmatic policy guidance. In 1950, groups directly associated with the public schools (most notably teachers associations like the NEA), called for a general aid bill from the federal government to provide support for the wide-array of problems school districts faced with this crisis (Fine, 1949, 29). Most congressmen generally agreed, but intense disagreement over issues of race and religion prevented any kind of consensus or compromise regarding what form that assistance should take. Catholic Congressmen demanded that parochial schools be included in any federal general assistance to education while Protestant Congressmen advocated the opposite (Pearson, 1949, B11).60 The issue became too politically controversial as it incited claims of bigotry and anti-patriotism leveled at each side of the debate, and was eventually dropped within the House committee, with no resolution regarding assistance for K-12 education (Cross, 2004, 7). Because of the political obstacles, states and locales were left to deal with the burden on their own.

The political obstacles to the “general aid” debate kept future proposals for federal assistance in education limited to specific or targeted purposes. In 1955, taking a cue from these

59 The first actual funds authorized by the federal government for K-12 education came under the Smith Hughes Act of 1917, which provided federal funds ($500,000 with an annual increase of $250,000) for K-12 vocational education programs. This was a state-matching plan and the money went directly to state agencies to allot to local districts and schools. The federal government left operational and programmatic decisions to the educational authorities (NCES, 2002).

60 The Catholic charge was led by Democratic Representative Johan Lesinski of Michigan, chairman of the House Education and Labor Committee, and the Protestant charge by Democratic Representative Graham Barden of North Carolina who was a member of the Education and Labor Committee (Pearson, 1949, B11).
earlier attempts, the Eisenhower Administration supported a bill to provide monetary assistance to help states finance the construction of new school facilities—one of the most urgent needs of states at this time (Fine, 1956, E7). But even funds for school construction became subject to political controversy—this time over race.

Civil rights supporters in both the House and Senate sought to use the Eisenhower bill, proposed just a year after the *Brown v. Board of Education* Supreme Court decision, as a means to enforce school desegregation (Rogers, 1956). Representative Adam Clayton Powell (NY) proposed an amendment to the bill in the House that would deny funds to any school district that did not comply with the *Brown* ruling (ibid.). The two chairmen of the Senate and House Committees on Education, however, were from the South and adamantly opposed the amendment, as it would most affect southern school districts (Reston, 1956, 140). Although the amendment to the bill passed, the bill was defeated with only one southerner voting in favor and with many of the supporters of the Powell recanting at the final moment (Cross, 2004, 10). Federal funding for education could not get past the national politics of race. James Reston of *The New York Times* summarized the implications of this vote for federal involvement in education: “The serious education crisis in the nation is going to have to be solved at the state and local level, for it is now obvious that racial politics have almost paralyzed the Federal government’s ability to give direct aid to schools” (Reston, 1956, 140). These failed attempts in 1950 and in 1955 reflect the extreme difficulty of making federal education policy, and they forecast the federal government’s supporting rather than leading role in education policy making.

**The Federal Role Solidified: a Permanent yet Secondary Presence in Education**

The civil rights movement and the *Brown v Board of Education* court decision set the stage for an increased federal involvement in public education. As Guthrie points out, a growing general recognition of racial injustices and the problems of urban ghettos helped to “develop a climate of public opinion favorable to social reform efforts.” (Guthrie, 1983, 674). Such change demanded involvement on the part of the federal government given that it was precisely authorities at the state and local level that had denied this access to racial minorities.

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61 During the Cold War, in 1958, Congress passed the National Defense Education Act in reaction to the Soviet Union’s launching of Sputnik. This bill provided fellowships, grants, and loans to mostly secondary public schools encourage the study of science, mathematics and foreign language (NCES, 2002).
The Civil Rights Act of 1964 was the first piece of legislation exemplifying a major “social reform effort”; it provided the U.S. Department of Health, Education and Welfare with the authority to terminate federal funds to any recipient practicing racial discrimination (Civil Rights Act, 1964). In particular, Title VI of the Act prohibits the extension of Federal financial assistance to any dual or segregated system of schools based on race, color or national origin (ibid.). At the time of passage, however, low levels of federal expenditures on education gave the government little leverage to enforce desegregation.62 But in 1965 Johnson obtained the passage of the largest federal education bill up to that point, the Elementary and Secondary Education Act (ESEA) (Lemann, 1989, 56). With this, the federal government became a permanent presence in education; however, the restricted nature of that presence was also established.

Johnson, a former school teacher, made assistance to education a central plank in the War on Poverty (Lemann, 1989; Jennings, 2000). Further, he had tremendous political support at this time in both chambers due to a landslide election for Democrats in the wake of the assignation of President Kennedy. The Civil Rights Act of 1964 had effectively ended the debate that overwhelmed the Powell Amendment a decade earlier, opening the way for federal assistance to education (Cross, 2004, 27). But the divisive issue over where any federal aid would include assistance to parochial schools remained (Hechinger, 1966, 169). Francis Keppel, the head of the Office of Education, however, came up with a politically viable solution to this political barrier: a “child benefit theory” that said that the federal funds would serve the child rather than the school the child attended, regardless of whether the school was a parochial or public school (Hechinger, 1966, 169).63 This notion framed Johnson’s policy on education and future federal policies, setting a precedent for federal aid being used for very specific targeted or categorical purposes.

Categorical aid was central to the landmark Elementary and Secondary Education Act (ESEA) of 1965. The Johnson administration, acting on the recommendations from a presidential commission64 on education, made disadvantaged children in rural areas and urban ghettos the

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62 Given the inability of the federal government to successfully pass an education assistance bill during the 1950s, federal funds for education were extremely minimal: .5 million dollars total in 1964 (NCES, 2002).

63 A variant of the concept was also employed by the Supreme Court in the 2002 Zelman v. Simmons-Harris decision that ruled publicly-funded voucher programs may include private religious schools.

64 The Gardner Commission established by President Johnson to study the condition of education throughout the nation and make recommendations for federal assistance specifically identified disadvantaged students in urban areas as being in great need for compensatory education programs. “most poor children are to be found in our rural and urban slums, and those slums breed conditions that do in fact diminish the teachability of the child” (Report on the President’s Task Force on Education, 1964 cited in Cross, 2001, 23-24). The commission went on to suggest that such children actually need more educational services (and thus more funding) than children elsewhere. However, the standard of
primary recipient of his education legislation in keeping with the child benefit theory. The primary piece of the bill was Title I which provided approximately a billion federal dollars for additional services, equipment, supplies, and supplementary programs for low-income students specifically aimed at helping raising math and reading achievement levels (ESEA, 1965). The money was channeled through public schools, and parochial students were served by public school teachers going to private schools to provide the services directly to the children (Jennings, 2004). Despite the increase in federal money, state and local authorities still had almost complete agency in deciding how the money would be put to use, respecting the established the cherished tradition of local control of schools.

With passage of ESEA, federal expenditures for education went from .5 million dollars to 1.4 billion dollars in 1965. Though federal monetary support for education increased dramatically with passage of the ESEA, these expenditures still only constituted a minimal proportion of total education expenditures, with states and localities providing the bulk of the funding (See Figure 3). ESEA established that the federal government would be involved in education, but it also ensured that that role only be for very specific populations and would not be part of general policy-setting for education.

Figure 3

Source: Digest of Education Statistics, National Center for Education Statistics.

funding education from local property taxes prevented these students from getting the services they required. Rather, the report found that “in those areas where the children need more intensive educational services than other children, often get less” (Report on the President’s Task Force on Education, 1964, cited in Cross, 2001, 23-24).
Between 1965 and 1992, ESEA has been expanded to include federal assistance to other specific groups of students (in 1968, 1972, 1979)—e.g. bilingual education students, handicapped students, female students—on a state matching basis (Olson, 1999, 28-29). The federal government has continued to be involved at a minimal level, generally providing funds but remaining silent on specific issues of policy. Title I funds have, however, become a permanent and essential piece of many state and school district budgets (Stanfield, 1982). The permanence of the federal role was exemplified by the creation of the Department of Education in 1979 to administer the funds associated with these federal programs (Stephens, 1983).

The restrained federal role did not expand even during times of perceived educational crisis. During the Reagan administration in 1983, a Department of Education Commission, the National Commission on Excellence in Education, released a report, *A Nation at Risk*, highlighting the extreme failures of the American public education system (National Commission on Excellence in Education, 1983). The report framed these problems in dramatic terms, warning that the United States may fail to compete with other nations in a global economy. The report launched a national debate about education and prompted numerous state and localities to adopt some of the Commission’s recommended policies such as lengthening the school day and expending greater resources on math and science (Bell, 1988). Despite the Commission’s emphasis on national failures, the Secretary of Education Terrel Bell responded that states were responsible to “turn around” public education:

> Education is the foremost responsibility of state governments. Recent reports show that state governments haven't been doing a very good job of handling education over the last couple of decades. But the federal government ought not to be mandating curriculum and standards. We could ask Congress to make it a violation of a federal statute to graduate a student without x years of science and x years of mathematics. Or we could say that as a condition to receive federal money, states would have to set certain minimum subject requirements. But I don't think we should do that. The National Commission on Excellence has highlighted the decline. Now it is the responsibility of state and local governments to do something about it. (“Time is Running Out,” 1983)

Bell’s comments reflect this enduring ethos that education is a local issue and federal involvement is *intrusive* rather than helpful. In turn, the Reagan administration responded throughout the 1980s with rollbacks in federal expenditures on education (mostly in Title I money) and block granting ESEA funds, thereby giving states more freedom to effectively use the money based on their specific needs (Howe, 1981, 2D).
Title I: Too Successful for a Radical Alternative

Support for Title I—the only federal education program with a significant amount of funds—prevented Reagan’s from gaining passage of his Administration’s education voucher proposal. Unlike housing vouchers where the perceived crisis of housing assistance programs fueled the voucher alternative, Title I was not uniformly deemed a failure. Thus Reagan’s three proposals to replace Title I funds with education vouchers met failure, as the administration failed to gain necessary support and consensus regarding the need to replace Title I (Stanfield, 1982). Though some congressmen agreed with the Administration that Title I had failed, the overwhelming response of many stakeholders to these charges, citing new national reports on showing the effectiveness of the program, was wide-scale “bipartisan support for the popular program” (Reed, 1982, 40). Support for the program spanned the ideological spectrum, with “a number of key Republican and Democrats…committed to the concept of Title I” (Britell, 1981, 14). Support for Title I even pervaded Reagan’s own administration: Reagan’s Secretary of Education Terrel Bell went on record before the House Education and Labor Committee in 1982 saying that “I can testify to this committee, that our Title I programs are successful” (quoted in Stanfield, 1982). Contentment with the status quo made support for a vouchers proposal very difficult. Further, following past experience, most legislators were not comfortable with the federal government setting radical new education policy—something a voucher policy certainly would have been (Hochschild & Scovronick, 2003, 129).

The Recent Past and the Future: Expansion with Limits

In the past decade and a half, the federal role has taken another leap forward in terms of expanding its involvement in education. With the Goals 2000 Act in 1994, the Improving America’s Schools Act of 1994 and No Child Left Behind Act of 2001 (NCLB, 2001), the federal government has inserted itself directly into bringing about nation-wide excellence in the public schools—with the federal government encouraging (in Goals 2000) and requiring (NCLB, 2001) states to set curricular standards65 and a system of testing achievement levels with minimum requirements. NCLB has a series of penalties stipulated in the federal legislation and tied to withholding Title I funds for states not meeting these benchmarks of progress (NCLB, 2001).

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65 The curricular standards included benchmarks in the specific subject areas English, mathematics, science, foreign languages, civics and government, economics, art, history, and geography (Goals 2000).
Even with this much-increased involvement, the precedence of local control of education has guided the federal practices, influencing federal legislation. The Goals 2000 legislation only “encouraged” states—and provided monetary incentives in the form of a matching funds program—to develop curricular standards. As a National Journal article noted just after its passage, regardless of federal stipulations, authority of public education still rests with states:

Of course, there's only so much that federal legislation can accomplish. With the constitutional responsibility for education lodged firmly in the states and more than 90 per cent of the financial support for education expended by state and local governments, the federal government remains merely a tail…The results will depend entirely on whether the state and local education establishments decide to implement the legislation. They are not required to do so. They lose no other federal aid if they don't, and the amount of money dangled as an incentive is pretty small. (Stanfield, 1994)

The NCLB Act of 2001 has very specific requirements regarding states’ usage of standardized achievement tests, benchmarks states and districts must meet in order to receive federal Title I funding, and consequences for failure to do so (NCLB, 2001). Even this very far-reaching federal legislation has as one of its four main “pillars” increased control for states and locales in deciding how to use federal funds to meet these goals (NCLB, 2001). The states are free to choose which tests they use as their measure for achievement; to set their goals for annual progress; and to define proficiency and adequacy. Ultimately, states can choose to reject federal Title I funding and ignore the requirements altogether (NCLB, 2001). State-defined standards have varied widely, and NCLB has been criticized for giving states an incentive to lower their definitions of adequacy in order to meet yearly progress requirements (Robelen, 2003, 1, 37).

The NCLB legislation has prompted public backlash by state governors and school officials. Several states, most notably Utah and New Hampshire, have threatened to reject the much needed Title I funds altogether, claiming that NCLB demands are onerous and detrimental (Hoff, 2004, 11, 16). Likewise the National Governor’s Association has submitted an official complaint to the U.S. Department of Education, saying that NCLB requires modification and is too intrusive on states’ rights (Richard & Robelen, 2004, 1, 17). Thus, the evolution of NCLB appears to be ongoing as the Department of Education continues to make modifications to its requirements of states.

Vouchers at the State and Local Level: Marginal at Best
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Teachers College, Columbia University
Given that national voucher proposals have not obtained any legislative success, attempts have been made at the state and local levels to implement publicly funded subsidies for parents to use at private schools. Voucher programs have been put to a vote on state ballots eight times via the referenda process; voters have voted against enactment of a voucher program in each case (People for the American Way, 2004). To date, six voucher programs across the country have been implemented through legislative processes—in Cleveland, Ohio; Milwaukee, Wisconsin; Washington, DC; and in the states of Florida, Maine and Vermont. These programs only provide education for a minimal amount of students—about 15,000 total which amounts to “less than a tenth of one percent of all K-12 students” (Hochschild & Scovronick, 2003, 124). Further evidence of the peripheral nature of these programs is the low utilization rates of vouchers once they are made available to students in these locales. Studies of the programs in Ohio and Washington, DC have shown that “between 20 and 35 percent of low-income voucher recipients…failed to use it” (Levin & Belfield, 2002).

Passage of voucher proposals at the state level has been more politically viable at the federal level thus far. But the programs have been small, tend to offer low levels of funding ($3,000 - $7,000 per pupil), and they have been categorical, targeting classes of students considered disadvantaged. The Milwaukee, Cleveland and (originally) the Florida voucher plans allow disadvantaged students (or, in Florida’s case, students from “failing schools) to use these public funds for tuition at private schools (Widalvsky, 1998; Hochschild & Scovronick, 2003, 124-125). The large levels of funding required for large scale voucher plans would encounter increased resistance beyond that already staged by current school districts losing funds to vouchers. The fiscal impediment makes adoption of major voucher initiatives unlikely.

Despite passage of voucher plans at the state level, a majority of state constitutions (37) include strict language prohibiting the use of public funds at sectarian schools and have stronger prohibitions against mingling of church and state (“Vouchers” 2004). Similar to these other programs, religiously-affiliated schools actually comprise the majority (70%) of the receiving schools for voucher recipients in Milwaukee, the largest and oldest voucher plan (Belfield, et al., NCSPE). The Zelman v. Simmons-Harris Supreme Court Decision (2002), speaking specifically to the Cleveland voucher program, confirmed that such a practice does not violate the federal constitution. Florida’s voucher program is currently in peril specifically because the state supreme court recently found the use of tax revenues to fund parochial school in violation of the
state constitution (Sack, 2004, 20). This same issue proved the quick end to a voucher program in Colorado shortly after the state legislatures had just secured plans for a statewide voucher initiative (“Vouchers,” 2004). Thus, if religiously-affiliated schools remain integral to voucher programs, only a small minority of states has the constitutional authority to implement such programs. State-level voucher programs are not then likely to be a majority trend as state judges will likely keep many such programs from reaching implementation.

Finally, the political tension between cities and suburbs and the political clout suburbs have in state politics (Weir, XXXX) are likely to keep state-level voucher programs to a minimum. As discussed, the majority of the voucher programs currently in place have targeted inner-city, disadvantaged youth as the main recipients (Belfield & Levin, 2004). With some very minor exceptions, these voucher plans are entirely intra-district, allowing students to “escape” their assigned school, but not the district in which they live. Mirroring the politically unpopular desegregation attempts to allow students to cross district lines during the 1970s66, suburban districts are not politically supportive of inter-district (and often any urban) voucher proposals (Hochschild & Scovronick, 2003, 131). The redistributive nature of such a state-commissioned program incites even more opposition to vouchers from the suburbs.

Conclusion

Despite the shared social policy characteristics between housing and schools, voucher proposals in these two sectors have been differently received. Housing vouchers are now the largest national housing assistance program in the U.S. whereas education vouchers operate in only a few cities and serve less than one percent of American school children. Certainly aspects unique to education such as the separation of church and state help to explain why public education vouchers are fledgling, but we have argued that the historic lack of federal presence in education is a key characteristic discouraging more widespread passage of voucher proposals. Without federal funds and capacity, education vouchers face numerous barriers that make widespread passage unlikely. This is not to suggest that state or local education voucher legislation cannot be enacted (c.f. Milwaukee, Cleveland, and Florida), but rather that education

66 The 1974 Supreme Court Decision of Miliken v. Bradley ruled that the suburban districts surrounding Detroit, MI, had not created the segregation and racial isolation within the city, and thus could not be forced to participate in an inter-district remedy. This served as one of the first major setbacks for plaintiffs in Supreme Court rulings on desegregation and came after vehement protests from individuals in these affluent, white suburbs who were for a time involved in an inter-district busing desegregation plan with the city schools (Orfield & Eaton, 1996).
vouchers are unlikely to gain widespread support or to extend beyond servicing a small portion of low-income urban student populations without federal investment and involvement.

Important differences in baseline market conditions for the education and housing markets also explain the dissimilar response to voucher proposals. The inability of state-local education voucher proposals to tap federal funds (as do housing vouchers) and the domination of the public sector in the education market (unlike housing) are perhaps the two greatest factors for their limited ability to take hold. Private share of the elementary and secondary education market is only 11 percent whereas the private share of the rental housing market is approximately 95 percent.67 The supply of private school places is insufficient to accommodate a wide scale option of vouchers: if even 10 percent of public school children opted for vouchers, the private school market would have to double in size (from 5.1 million enrollments in 1999 to approximately 10 million enrollments). The public sector’s dominance of K-12 education means that significant voucher proposals would threaten the employment of public schools teachers and staff. By contrast, housing vouchers as administered by public housing authorities have not posed this same threat.

The large difference in public sector’s share of the education and housing markets reflect, in part, the different values we accord these services. Education is indisputably a universal right of citizenship whereas housing has never firmly achieved this status. The importance our society accords to education has meant that it is largely publicly provided (i.e., local governments guarantee they will provide all children an education) and locally controlled.68 The ambivalence about a promise to housing is reflected by its limited scope and its increased reliance on the private sector; receipt of a housing voucher does not guarantee that the recipient will find available housing. But there is not a simple dichotomy between entitlement programs-public sector and categorical programs-private sector. While public support for the idea of public education is nearly universal, there are significant minorities that support privatized delivery of education. The popularity of charter and magnet schools can be seen as public support for a halfway step towards privatization though choice-based reforms that attempt to introduce

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67 This is only a rough estimate and only includes public housing units (and does not include other types of subsidized rental units such as low income housing tax credit units).
68 The Supreme Court majority opinion in 1972 Wright v. Council of the City of Emporia asserts that “Direct control over decisions vitally affecting the education of one's children is a need that is strongly felt in our society [. . . .]”.

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competition to public sector provision. Public support for universal education does not necessarily indicate an inherent resistance to private-market mechanisms such as vouchers.

The public-sector domination of the K-12 market makes it unlikely that a large voucher program could be enacted (for reasons of politics and limited private sector supply). But if a larger scale education voucher policy were to occur, we believe the federal government role is essential to providing funds and its policy-making capacity. The federal government possesses an infrastructure that facilitates policy agenda setting, assessment, and refinement. Housing voucher policy benefited from such resources—making possible the combination of well-funded experimental field tests, high capacity staff, and funds for programs such as the low-profile Section 23 program to test out policy theory. The combination of experience, developed policy, and funds then came together to operationalize the Section 8 existing housing voucher program.

While these resources were essential to the successful implementation of housing vouchers, it first took disfavor of vouchers’ alternative (housing assistance production programs) to pass the program. This implies that even when the fiscal and policy making capacity resources were aligned such as they were for housing vouchers, there was still an extra push required to overcome political resistance to change (and subsequent disruption of benefits to certain constituencies). Not only did the federal Department of Education lack such assets as voucher pilot programs, fully implemented field tests, and relevant policy experience, but it also lacked an alternative federal program to vouchers that had clearly failed. When Reagan introduced education voucher proposals to Congress they failed in part because they were not in reaction to some other (failing) federal program.

The continued interest in and charged debate over vouchers suggest that the political landscape is still changing. It is not a forgone conclusion that housing vouchers will continue at the federal level (or at current funding) or that education vouchers will not gain more widespread support. Despite the popularity of housing vouchers, public attacks on the program by the Administration suggest the political winds may be changing. Meanwhile proposals to block grant housing vouchers might affect cuts in funding or may simply afford improvement by offering localities greater flexibility to meet market conditions specific to the locality. Dissatisfaction with urban public school systems continue to fuel state voucher proposals and some may be enacted. Further, recent federal education legislation has created a far more pronounced role for the federal government in education than ever before, possibly paving the way for greater
expansion. Despite the uncertainty about the future political viability of vouchers, the history of housing and education vouchers suggest that, absent federal support, local-state voucher proposals will at best reside on the margins.
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Factors Influencing Teachers Use of Data for Making Instructional Decisions:

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Abstract

The emphasis on accountability, heightened by requirements of the new federal legislation, “No Child Left Behind,” has led to a demand for more extensive testing, collecting, and reporting of data. Research identifies the individual classroom teacher as the prime school-based determinant of student achievement. This multiple-case study investigates the relationship between student performance data and teacher practice. Extensive interviews with mathematics teachers and administrators suggest that teachers use data primarily for grading and placement decisions rather than for planning and implementing more effective instruction. Significant differences in student population, building leadership, and culture among the three middle schools studied afforded an opportunity to assess the influence of these factors on teacher practice. Analysis of information from interviews, field notes and relevant district documents, indicates that individual teacher attributes may be the major factor in teachers’ use of data. Data from mandated state tests does impact instructional content as schools tighten the alignment of their objectives with state tests. There is also some preliminary evidence of new attention being given to the lowest performing students.

Introduction

The emphasis on accountability that underlies much of the current discussion about improving education has led to a demand for more extensive testing and collecting and reporting of data (Lafee, 2002). The requirements of the new federal legislation, “No Child Left Behind,” have intensified the attention placed on state standards and assessments (Lafee, 2002). Yet recent research (Marzano, 2003) identifies the decisions of individual teachers as the prime school-based factor affecting student achievement. If the goal of increased testing and other forms of data collection is to improve student learning, a better understanding of the relationship between data and teacher decision-making can assist educational leaders in improving the effectiveness of their schools. The increased focus on accountability deriving from federal and state policies responding to the NCLB legislation as well as local school board demands has led to an increasing amount of data on student performance and achievement. However, there is little documentation describing how, if at all, teachers access or use these data in formulating and implementing their lesson plans. (Berry, Clements, Johnson, Owens, and Turchi 2003; Solomon, 2002; Stecher and Gonzalez, 2003)
The goal of my research is to investigate the factors that promote or inhibit teachers’ use of data. Because student learning within the classroom is primarily affected by what teachers do, i.e. “teacher effectiveness” (Darling-Hammond, 2000; Odden and Wallace, 2003; Wenglinsky, 2002), the impact data can have on improved learning is directly related to if, how, why, and when teachers use data to plan and implement instruction. Greater understanding of factors that encourage classroom teachers to use and analyze existing data in planning and implementing instruction would enable superintendents, principals, and teacher leaders to take the steps to transform “accountability” measures into effective strategies for improving student learning.

**Context of the Study**

Much of the current educational reporting and commentary focuses on the impact of externally mandated testing on the school curriculum and on the many perceived consequences of “high stakes” testing. Yet student performance data from these tests comprise a limited portion of the data available to teachers. The relationships between data from these tests as well as other data collected by teachers - both formally through classroom tests and quizzes and informally through observations of students - and teacher decision-making and practice are extremely complex (Cimbricz, 2002; Abrams, et. al., 2003). A review of recent literature seeking to uncover specific research on factors affecting teachers’ use of a broader range data for making instruction decisions yielded information in two tangential areas: 1) teachers’ use of data for making instructional decisions in special education classrooms (Bentz, Fuchs, Fuchs, Howlett and Phillips, 1994), and 2) factors affecting teachers’ use of technology for instructional purposes (Jones, 1998; O’Dwyer, Russell, and Bebell, 2004). Rather than using data to modify their own instructional practice, teacher teams in inclusive classrooms addressed academic and
behavioral problems by focusing on “within student variables” in their recommendations. Referrals to special education or outside counseling were typical. Studies of teachers’ use of technology indicate primitive and routine use of computers. Teachers’ perceived failure to use these new tools more creatively to transform their instruction is attributed to a lack of meaningful professional development (Jones, 1998). These studies indicate that neither available data nor presence of technology are significant factors in promoting changes in instructional practice. However, as teachers seek ways to improve their students’ performance, the growing interest in action-research may facilitate a shift from a focus by teachers toward instructional factors that affect learning. O’Dwyer, Russell, and Bebell (2004) cite district and school leadership and individual teacher beliefs as well as professional development as factors affecting teachers’ use of technology in the classroom.

A notable exception to the lack of research in teachers ‘use of data is a recent study that investigated how innovative schools systematically use student performance data to guide improvement (Supovitz and Klein, 2003). This study differs from my research in two ways: its deliberate selection of five “America’s Choice Schools” that are exceptional in the depth of their examination of school data; and its sampling of teachers in each school – two English teachers and one mathematics teacher who represented teacher leaders who were especially sophisticated in their use of data. My study includes all middle schools in a single district and all of their mathematics teachers, with no sampling restrictions beyond the limitation of subject area – mathematics.

Despite these significant differences, my study is similar to the Supovitz and Klein study in two important ways: both focus on middle grades in states with highly developed accountability systems; and in both studies the methodology includes extensive in depth
interviews with principals and teachers. This research, therefore, complements the Supovitz and Klein study by providing both corroboration and contrast.

Because of the paucity of research specifically on teachers’ perspectives on using data for making instructional decisions, recent literature on accountability and student achievement was reviewed to provide a context for considering teachers’ use of data. In addition to the much-publicized accountability systems usually based on state mandated tests, other internal factors were also explored. A conceptual framework for understanding teachers’ use of data for making instructional decisions includes the external factors of accountability, standards, and associated student achievement data as well as the internal factor of teacher individual beliefs about the efficacy of data-based decision-making as shaped by their formal education, the school culture and leadership, and related professional development.

Theories of Reflective Practice and Data-based Decision Making

While there is little direct research on factors affecting teachers’ use of data, there is a strong and widespread advocacy for teachers to engage in “data-based” decision-making (Doyle, 2002). Popham’s (2000) assertion that teachers’ instructional planning based on an understanding of their students is certain to be better than planning for “mystery status students” (p. 5) seems self-evident. Distal data collected through state and district mandated achievement tests as well as the more significant proximal data collected by teachers formally through classroom quizzes and tests and informally through observation and anecdotal information provide the information needed for student understanding essential for effective planning and implementation of instruction.

The importance ascribed to using data is evident in recent publications of professional organizations such as AASA’s “Using Data to Improve Schools: What’s Working;” in the creation of new, more user-friendly technology for storage and retrieval of data; and in the number of professional development programs being offered to help administrators and teachers collect and analyze data.
Teachers’ use of data depends both on the quality and perceived relevance of the data as well as its accessibility and timeliness. While states and districts need large-scale data sets for reporting and policy decisions, classroom teachers need timely information for each individual student to make instructional decisions (Snyder, 2000). Although new technology is making use of data more feasible, the insight, skill, and motivation of teachers to use data in planning and implementing their instruction determine the extent and effectiveness of their use of data to improve student learning.

Popham (2000) categorizes three kinds of decisions educators use data to make: selection, evaluation, and instruction. While too often one assessment is used for multiple purposes, he posits that the type of decision to be made must be identified first, followed by how it will be interpreted, before the content of the assessment is determined. Although this study focuses primarily on teachers’ use of data for making instructional decisions, teachers were queried about both the kinds of data they collect and how they use it.

As a result of his recent work with educators, Popham (2000) concludes that accountability is driving the measurement needs of administrators and teachers. He observes that they seek tests that will prove to local boards that the schools are doing a good job of educating their students. The pressures he describes have increased as a result of the extensive testing resulting from the new NCLB legislation, especially its reporting requirements and mandated consequences. The decisions by some schools, districts, and states to use test data for “high stakes” decisions such as grouping, grade retention, and even the receipt of a high school diploma are being hotly debated (Neil, 2003). The pressures on teachers as a result of demands for accountability are significantly affecting classroom practice. Teachers describe a narrowing of the curriculum with less time for such subjects as science, social studies, art, and music, while
more time is being devoted to the tested areas of reading and mathematics (Gong, 2002, and Janc and von Zastrow, 2004). There is also less overall instructional time because of time taken for official tests, for additional tests to monitor progress to be sure students are ready for the official tests, and for imposed “scripted” lessons (Perlstein, 2004).

State “standards,” which are often based on national standards for various disciplines and then translated into district “objectives,” influence both the curriculum and its assessment. While these “objectives” traditionally provided the spine for the selection of instructional material and the development of local curricular content, the extent to which these objectives are aligned with the actual state assessments is becoming increasingly significant in teachers’ use of data. Researchers are accumulating evidence to show that what is tested is what is taught. New concerns are being raised about teaching to specific test items in a given format, rather than teaching the deeper connected curriculum envisioned in state and national standards (Gong, 2002; Janc and von Zastrow, 2004).

Policy makers and much of the public appear to believe that accountability models, based on curricular standards, and externally developed tests of student performance testing data are the most important contributors to reform. One might assume they would also be the most important factors for teachers as well. Over the short-term, they may be the most influential. They are also more visible, concrete, and relatively easy to define and describe. However, other more subtle “internal” factors need to be considered as well.

New studies in cognitive psychology suggest that the method and context of learning determine what is learned and how this new learning is appropriated into beliefs and behaviors. Interactive systems become as important as a focus on the individual teacher (Borko and Putnam, 2000). Consequently, understanding teachers’ thinking about using data for decision-making
requires paying attention to both their peer interactions and also to their classroom interactions with their students. The culture of the individual classroom, as well as that of the larger school community, can shape or constrain how teachers act and think. Often automatic responses resistant to change provide a method of coping in the complex school environment (Borko and Putnam, 2000).

Fullan’s (2001) theories of the change process, Heifetz’s (1994) theories of effective leadership, and Schein’s (1992) organizational culture studies, all suggest that individual teacher’s beliefs about the efficacy of using data are influenced by the culture and leadership of their schools and shaped by their experiences and professional development. Teacher beliefs, while an extremely complex and subtle factor to identify and understand, may be more significant for teacher decision-making than accountability systems based on state standards and externally developed student achievement tests.

Effective leadership is essential for developing a school culture that can foster the learning community advocated by Senge (1994). To have a long-term impact on organizational effectiveness – in this context, measured by student achievement – a learning community must become institutionalized so that capacity building is ongoing. Describing, understanding, comparing, and evaluating the impact of leadership, school climate and culture on individual teacher beliefs on the decision-making process of teachers is beyond the scope of this study. However, because of their presumed importance, these less overt factors cannot be completely ignored in the interpretation of teachers’ depiction of their use of data in making instructional decisions.
Need for Study

Little research has been undertaken on teachers’ attitudes toward testing and teachers’ perceived needs for student performance data. Policy makers, test developers, politicians, and the large number of individuals who see themselves as “education experts” have been focused on both appropriate and inappropriate uses of data – usually using aggregate numbers to compare or label schools. Although recent research indicates that the classroom teacher is the key factor in student learning (Marzano, Pickering, Pickering, and Pollock, 2001), the teacher’s perspective and role have not been seriously considered in the current debate surrounding testing and accountability systems.

Research Questions

My study was designed to address eight interrelated research questions:

1. What external data do middle school mathematics teachers have access to, analyze, and use?

2. What proximal data do these teachers collect in the classroom, both formally and informally?

3. How do teachers select and use the data, individually or collectively, for instructional planning, grouping decisions and differentiating instruction?

4. How do state, district, and school-based accountability policies promote or inhibit these teachers’ use of data for making instructional decisions?

5. What is the impact of grade-level objectives (based on state and national standards) on these teachers’ collection and use of data for making instructional decisions?

6. How do building level factors of leadership and school culture affect teachers’ use of data?
7. How do individual teacher beliefs about the efficacy of data-based decision making affect their instruction?

8. What is the influence of teacher preparation programs and subsequent professional development on teachers’ beliefs, knowledge and practice in using data for making instructional decisions?

Propositions

My review of the literature as well my earlier work in the suburban district selected for the study and research a nearby urban district, suggested the following propositions.

1. Teachers make minimal use of available data for planning and implementing instruction. Rather, classroom data are collected primarily to gather information about students’ progress and achievement for the purposes of assigning grades, making grouping or placement decisions, and communicating with parents.

2. Teachers are more likely to select and use data that support their own views of teaching and learning rather than seek and analyze new or disconfirming data that might lead to changes in their practice. Careful collection and scrutiny of data for information that might improve instructional decision-making is infrequent and not widespread.

3. District and building accountability systems as well as the political influence of parents and school board members compromise teachers’ use of data for instructional decision-making. Preliminary results from a recent study (Mulligan, 2004) of predictors for middle school student mathematics performance in an intensive summer program and in future accelerated mathematics courses indicate that teacher
placement recommendations are far less reliable than available data from district-created placement tests and state and national standardized data.

4. State, district and building accountability requirements tend to heighten teachers’ anxiety and frustration levels, reduce their sense of self-efficacy, and thereby hinder creative and innovative instruction as well as limit the variety and depth of the assessments used.

**Conceptual and Methodological Design**

Conceptual Design

There is an increasing public demand for greater accountability. The current implementation of accountability models has been influenced by state and district responses to the reporting requirements of NCLB as well as by the local goals and concerns of parents and school boards. The press and online journals are reporting many of the undesirable consequences resulting from the implementation of accountability measures, including high-stakes testing that leads to grade retention and denial of high school diplomas, pay differentials for principals, and school sanctions. The advocacy literature supports data-based decision-making, yet much of the data now being collected are not being used for improving classroom instruction. Undoubtedly, all parties – policymakers, educational leaders, teachers, and parents – support improved student achievement. The conceptual framework adopted for this study considers the impact of theories of accountability and the importance of standards-based curriculum development. However, school culture and individual teacher dispositions may be more significant factors in understanding teachers’ use of data for making instructional decisions.
Figure 1 below describes the two kinds of student performance data accessible to teachers: external or distal data that are generated and usually scored off-site with virtually no teacher participation in either assessment design or scoring; and internal or proximal data that are collected by teachers within their classrooms. Typical external or distal data include results from state mandated tests and nationally normed tests such as the Stanford Achievement Tests as well as from required district assessments. These data, usually based on timed-multiple-choice tests, that may be either criteria referenced or norm-referenced, form the basis for state and district accountability systems. Internal or proximal data are collected by the classroom teacher and include both traditional pencil and paper summative, unit tests often adapted from classroom instructional material and texts as well as formative assessments that are often informal and based on teacher observations of students and their daily work.

Data Collection

Figure 2 illustrates the conceptual framework for this study based on a review of recent literature on teachers’ use of data for making instructional decisions. Since there is a paucity of information specifically focused on teachers’ use of data, I reviewed literature surrounding both
use of data for improving student achievement and factors influencing teacher decision-making.

This review suggested that many factors may be influential: external factors (accountability, standards and data attributes) are viewed as significant in improving student performance as well as internal factors such as school culture, building leadership, and pre-service and on-going professional development shape teachers’ experiences and subsequent beliefs are believed to contribute to the development of more effective schools.

**Conceptual Framework for Data Use**

![Diagram](image)

Figure 2
Spillane (2002) categorized the external or distal factors as “situated” and the internal or proximal factors that he labeled as “cognitive.” The external factors (accountability, standards, and student performance data from state or district-mandated tests) included in the conceptual framework for this study acknowledge the impact of behaviorist thinking by policymakers in their attempts to influence teacher practice. The extensive impact of a behaviorist philosophy is evident in Spillane’s (2002) recent research on teacher learning; he found that a behaviorist perspective was preeminent among the district administrators and curricular leaders in his study. Because of the current emphasis on accountability, an extensive review of recent changes in state, district and building practice based on the implementation of the federal “No Child Left Behind” act was made. Challenges identified range from the development of coherent meaningful standards and the measurement student progress by assessments that can be administered, scored, and analyzed within limited time frames and budgets, to the unintended problems of a narrower and shallower curriculum resulting from the neglect of curricular areas not subject to state-mandated tests as well as the limitations imposed on tested curricular areas due to instruction based on test items rather than on the curricular frameworks from which the test items were derived.

Analyses of teachers’ practice that emphasize the internal factors of teacher beliefs as shaped by their school culture, building leadership, formal education, professional development and other related experiences views based teacher behavior from a constructivist framework. Rather than the quick fix anticipated by a mandated top-down system of rewards and sanctions, improving teachers’ ability to use data effectively, requires supporting their thinking and actions through leadership, professional development and a school culture that expects ongoing
improvement based upon individual and group inquiry, including collection and analysis of data, as well as self-reflection.

The impact of culture is based on the theoretical work of Schein (1992) who defined “culture” as a “pattern of shared basic assumptions that the group learned as it solved its problems… [it] has worked well enough to be considered valid and, therefore to be taught to new members as the correct way to perceive, think and feel” (p. 12). The Organizational Cultural Inventory (OCI), used in this study, was designed to identify behavioral norms that are shaped by “commonly shared assumptions, beliefs and values of organizational members” that lead to “general patterns of work-related behaviors” (Szumal, 2003).

The importance of individual teacher beliefs, which the literature cites with increasing frequency, is based on theories developed by Sergiovanni (1994), who observed that reform should be based on careful identification of deeply and commonly held values. My efforts to understand the relationships within the schools both among teachers and between teachers and administrators is based on the work of Fullan (2001) who identified the improvement of relationships as key to successful change. The diagram in Figure 2 illustrates the complex inter-relationships between the external factors of accountability and standards and the internal factors of school culture, leadership and individual teacher beliefs in influencing teachers’ use of data for making instructional decisions.

Moreover, as Schein (1992) states, “learning, adaptation, innovation and perpetual change” must be perceived as the stable elements of the culture. Data-based decision-making implies a cycle of on-going learning through data collection and analysis and adaptation and innovation in planning and implementing instruction based on this new learning. Continuous improvement through this process is only possible if manageable change is the norm. Perhaps
the most important change required is to enable teachers to alter their own beliefs about teaching and instruction as a result of careful collection and analysis of data.

Exploring the use of data by middle school mathematics teachers for making instructional decisions is a part of the more complex inquiry into understanding teachers’ thinking and practice. Calderhead (1987) noted, “Often, attempts to improve the quality of teaching are based…on fairly naïve conceptions of teaching processes” (p. 4). He adds that reform ideas “fail to acknowledge the complex processes by which teachers’ practice is assembled and the difficulties of changing it once it has become established, routine, and adapted to its context” (p. 4). Although he cites a dissatisfaction with essentially behaviourist [sic] approaches to teaching” (p. 5) in the psychology of education as far back as 1970, the underpinnings of NCLB and state and district accountability systems—including labels, sanctions, and incentives such as bonuses — seem to reflect a return to behaviorist philosophy.

Zeichner (1994) observed that educational researchers with differing conceptual and ideological orientations have viewed teacher thinking and practice through the “umbrella of reflective practice” (p. 9). This more constructivist approach to teacher learning developed from a “rejection of top-down forms or educational reform that involve teachers merely as passive participants” (p. 10). Reflective practice, in which teachers construct their own understandings, does not occur in isolation or at a single point in time. Rather, it is a complex, continuous process that may be guided and nurtured by building leadership, and influenced by how teachers’ beliefs and actions interact with and possibly adapt to the school’s culture.
Methodological Design

Selection of Case Study as Research Methodology. In this study, designed to understand the factors that promote or inhibit the use of data by middle school mathematics teachers for making instructional decisions, a case study methodology was selected. The multiple-case study explores how mathematics teachers in grades six, seven, and eight in three different middle schools within a single district use data for decision-making.

A case study design was selected as the methodology to address the research questions because it permits asking “how” and “why” about contemporary events beyond the researcher’s control (Yin, 2003). The goal of this research – understanding teachers’ use of data for making instructional decisions – falls within the broader purpose of a case study, as defined by Schramm (1971) and adopted by Yin (2003) – understanding decision-making.

Case Selection. The selected study site was ideal for several reasons. Middle schools were selected because unlike elementary schools, most teachers are responsible for teaching only a single discipline, making data-based decision making more manageable; yet unlike high schools middle schools are currently subject to the state-mandated testing and accountability requirements of the No Child Left Behind Act. Connecticut was selected because the state has a well-developed, long-standing, and coherent set of curricular standards that inform both teacher certification and state-wide student testing. The suburban district selected is unique in that it has a highly diverse student population in terms of socio-economic status and English-language learners and a typical number of special education students. It is a mid-sized district significantly larger than that of many of the smaller towns, yet smaller than the largest urban districts. The budgetary resources of the district allow funding for quality instructional materials and professional development. Each of three middle schools has its own administrative
leadership style, culture, and student population. This diversity, combined with a high degree of professionalism and exceptional resources, make it an ideal study site. Data are collected centrally and made available to the district schools. Building principals then provide relevant data directly to teachers. Grade-level meeting time is available during the school day for teachers to examine data collectively. Teachers are also provided with classroom computers. Thus, resources including limited technology, knowledgeable personnel, and time are available to the teachers.

As early as 1987, the Board adopted a policy to establish a “system of annual evaluation of student performance.” The policy mandated that the evaluation include “standardized measures of achievement… and attainment of district curricular objectives.” It also required the reporting of these measures to the Board and the public as well as a “regular” progress reports to students and their parents. Finally, the policy also stipulated that the results of state tests in grades four, six, and eight be used “in the diagnosis of individual student needs and in the provision of remedial assistance for any student whose achievement falls below the state-defined ‘mastery’ level” (Board of Education, 1987).

Two of the four “Strategic Goals” adopted by the Board for the year of most of the data collection (2003-2004)69 relate to data-based decision-making within a context of accountability.

- To improve the linkage between curriculum, assessment, and instruction
- To develop and implement accountability systems to identify and measure key district indicators of success (Board of Education, 2003).

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69 As the data has been analyzed, additional data is being collected during the current school year (2004-2005) through interviews, phone calls, e-mails, and additional school documents as part of data triangulation, resolving discrepancies, and obtaining clarification to issues raised in the interviews.
Selection of Participants. While data-based instruction is important for teaching in all curricular areas, mathematics teachers were selected for the study because mathematics instruction is characterized by a clearly defined sequential and cumulative development of skills and conceptual understanding. Thus, collecting and using student performance data would seem to be a less complex and more manageable task for teachers planning and implementing mathematics instruction than for teachers of other disciplines. Secondly, because mathematics teachers are likely to be more quantitatively literate, they are probably be more comfortable analyzing numerical data than their colleagues teaching in other disciplines.

Definition of Data for this Study. An abundance of available data exists that can be useful to teachers in analyzing their instructional programs, including attendance data and demographic data. The data investigated in this study are limited to student performance data. Such data, however, encompass a broad spectrum that includes both distal or externally produced data (usually summative) as well as proximal, often including informal data collected by teachers. In addition to differences in types and sources, data can have many possible uses. Mathematics teachers use data to plan and implement instruction; to assess prior knowledge; design interventions; and differentiate instruction by providing support to make it more accessible for some students while identifying extensions to challenge other students. Comparative data can be valuable not only to assess individual students’ knowledge and skills but also to evaluate programs. Data can also inform teachers in selecting appropriate instructional materials as well as in developing effective pedagogy to meet a variety of student backgrounds and learning styles (American Association of School Administrators, 2004; Jandris, 2001).

To answer the first three questions on what external and proximal data teachers have access to and collect, and how they use these data to inform their instructional practices and
make other educational decisions, I relied primarily on information gleaned from semi-structured interviews with the mathematics teachers in the three middle schools. These interviews focused on teachers’ current awareness, analysis, and use of existing data, as well as their own collection and use of both formal and informal data. I also interviewed the three administrators for each school (nine total) both to gain their individual perspectives on data-based decision making in their schools and to corroborate or disconfirm the self-reporting of the teachers on their use of data for instructional decision-making. I am triangulating the data obtained from teacher self-reporting with additional data from peer teachers and from the responses to validating questions asked of administrators in their schools. All interviews are being transcribed. To understand the kinds of data used and the extent of data use within a single school, I am analyzing the transcripts from the semi-structured interviews beginning with simple descriptive coding based on the research questions and including pre-analytic marginal notes and memos as the precursor for the next level of coding that characterizes the strength of any emerging patterns. (Miles and Huberman, 1994).

To assess the impact of external factors of accountability and standards I am analyzing the transcripts from the teacher and administrator interviews. Their responses to follow-up questions are especially significant. I probed more deeply to gain a better understanding of the factors affecting their current practice as well as to uncover their suggestions for ways to increase the use and efficacy of data-based decision-making. Additional information has been obtained from the extensive written documentation of the mathematics program in the district as well as a collection of school-based documents, especially the School Improvement Team plans. Most of the analysis is being done at the individual teacher and school level. In addition, I am examining the impact of accountability by comparing the responses of two groups of teachers.
district-wide. Responses from sixth and seventh grade teachers in all three schools, who are preparing their students for the Connecticut Mastery Test in the fall of the eighth grade, are being compared with the responses of eighth grade teachers whose students face no district wide assessments or other accountability measures until tenth grade.\textsuperscript{70}

Perhaps the most challenging, yet the more important aspect of the research is determining the influence of individual teacher beliefs and how they are shaped by the internal factors of school culture and building leadership. Teachers were questioned about building leadership and building principal and assistant principals were asked about their leadership style and their roles in the school relative to teachers’ use of data. These sets of data are being triangulated with notes from my site-based visits and other building documents such as the Principal’s Newsletter. Each school has a well developed, individualized website that provides additional information on building leadership and school culture.

I also administered the Organizational Culture Inventory (OCI) (Cooke and Lafferty, 2003) to both teachers and administrators. The individual data from this inventory is being used to supplement the individual teacher information derived from their interviews. I am analyzing school culture by using descriptive statistics to examine the teachers’ responses as categorized by twelve norms measured on the “Circumplex” of the OCI. From a calculation of the standard deviation from the aggregated data from the OCI, the intensity of the culture in each school can be measured. These data supplement other qualitative data such as school-based improvement plans, websites, parent notes, and field notes from site visits in describing differences in the

\textsuperscript{70} This is current practice. Complying with NCLB requires that students be tested annually in all grades, 3-8. Thus unless either Connecticut Educational Commissioner Sternberg’s current personal efforts to obtain a waiver or Attorney General Blumenthal’s suit claiming that testing at every grade level is an unfunded mandate are successful, 8th grade students will also be tested in the spring of 2006.
cultures of three schools. Differences in student populations have been determined using the extensive data contained in the Strategic School Profile for each school.

An analysis of individual teacher beliefs and practices, primarily based on self-reporting in the semi-structured interviews but also informed by comments from their fellow teachers and administrators, provides insight into the teachers’ instructional practice, including the time spent supporting students beyond the school day. Further understanding of teacher beliefs is being obtained through analysis of their individual OCI profiles as well as their comments on related questions on an administered questionnaire. This questionnaire represents a subsection of a recent NEA study (National Education Association, 2003) and was used both to gain additional information and also to compare the profiles and responses of the teachers in the study to those in a larger national sample.

The answer to the final question on the influence of teacher preparation programs and subsequent professional development is being obtained by collecting demographic data concerning the teachers’ initial educational training, the length of time that has elapsed since this initial training, and the years of overall teaching experience along with their longevity in the current assignment. I am inquiring about school and district-based professional development as well as about individual teaching initiated professional development off-site. I have specifically asked teachers and administrators about any formal or informal professional development regarding data collection, analysis and curricular alignment with standards that occurs at both grade level and department meetings.

Researcher subjective bias was controlled by using the same open-ended question with all participants. Interviews for all participants were the same length (40-45 minutes). Administrator interviews ran closer to an hour in length. All participant comments were audio taped and
transcribed to prevent filtering of the information. Uniform coding is being established for analyzing all of the transcripts. Since interviews were requested from all sixth, seventh, and eighth grade mathematics teachers and administrators in each school were interviewed, no bias occurred from sampling decisions. In two of the schools, 100% of the teachers participated. In a third school, two teachers declined to participate. All nine administrators participated in the interviews. Participant bias is being controlled by triangulating the data from individual teachers, their peers, and their administrators. In addition, assurances of confidentiality increased the likelihood that the data collected is reliable and valid. A detailed plan for analyzing the data in order to answer the research questions is summarized in the chart below.
### Research Question

1. What external data do middle school mathematics teachers have access to, analyze, and use?

<table>
<thead>
<tr>
<th>Concepts to be explored</th>
<th>Data to be collected</th>
<th>Data Analysis</th>
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</thead>
<tbody>
<tr>
<td><strong>AWARENESS OF AVAILABLE DATA</strong></td>
<td><strong>INDIVIDUAL TEACHER SELF-REPORTING OF KNOWLEDGE AND USE OF CMT, SAI, SAT, READING SCORES, AND OTHER WRITTEN RECORDS FROM PREVIOUS SCHOOLS/GRAD/TEACHERS THROUGH TRANSCRIBED AUDIOTAPES OF SEMI-STRUCTURED INTERVIEWS</strong></td>
<td><strong>CODING OF TRANSCRIPTS</strong></td>
</tr>
<tr>
<td>Retrieval of data</td>
<td>Teacher self-reporting on NEA Survey Question 26b</td>
<td><strong>COMPARISON OF TEACHER SELF-REPORTING WITH PEER REPORTING</strong></td>
</tr>
<tr>
<td>Perceived relevance of data</td>
<td>Administrator description of teacher practice through transcribed audiotapes of semi-structured interviews with building administrators</td>
<td><strong>COMPARISON OF TEACHER SELF-REPORTING WITH ADMINISTRATIVE PERSPECTIVE</strong></td>
</tr>
<tr>
<td>Teacher analysis of data</td>
<td>Specific examples of student data accessed from external sources</td>
<td><strong>Analysis of frequency of use and ascribed relevance</strong></td>
</tr>
<tr>
<td>Use of group data vs. individual student data</td>
<td></td>
<td><strong>Aggregated comparison of teacher use of external data using descriptive statistics</strong></td>
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<tr>
<td>Impact (if any) of analysis on placement, planning, or instruction</td>
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</tbody>
</table>

2. What proximal data do these teachers collect in the classroom, both formally and informally?

<table>
<thead>
<tr>
<th>Concepts to be explored</th>
<th>Data to be collected</th>
<th>Data Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IN-CLASS COLLECTION OF DATA THROUGH WRITTEN QUIZZES AND TESTS</strong></td>
<td><strong>Individual teacher self-reporting of use of formal student assessments such as quizzes and tests, assessments of student performance of tasks in groups and individually, and other observations of students during class as described in transcribed audiotapes of semi-structured interviews</strong></td>
<td><strong>CODING OF TRANSCRIPTS</strong></td>
</tr>
<tr>
<td>Design of instruments for data collection</td>
<td>Specific examples of in-class data collection through assessments and observation</td>
<td><strong>Comparison of teacher self-reporting with administrative perspective</strong></td>
</tr>
<tr>
<td>Awareness of ways to collect and record informal data through observation of students</td>
<td>Specific descriptions and examples of teacher-generated assessments</td>
<td><strong>Analysis of frequency of use and ascribed relevance</strong></td>
</tr>
<tr>
<td>Frequency of collecting and recording informal student performance data</td>
<td>EVIDENCE OF DECISION-MAKING BASED ON</td>
<td><strong>Aggregated comparison of teacher use of proximal data using descriptive statistics</strong></td>
</tr>
<tr>
<td>Methods of recording</td>
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</table>

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Teachers College, Columbia University
3. How do teachers select and use the data, individually or collectively, for instructional planning, grouping decisions, and differentiating instruction?

<table>
<thead>
<tr>
<th>Informal Data Not Recorded or Analyzed Systematically</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Individual teacher self-reporting of planning process, grouping, differentiating instruction, content, and pedagogical decisions collected through transcribed audiotapes of semi-structured interviews</td>
</tr>
<tr>
<td>• Self-reported purposes of teacher-generated assessments</td>
</tr>
<tr>
<td>• Specific examples of teacher feedback to students and parents</td>
</tr>
<tr>
<td>• Administrator descriptions of teacher practice through transcribed audiotapes of semi-structured interviews with building administrators</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Formal Data Recorded and Analyzed Systematically</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Grade-level planning</td>
</tr>
<tr>
<td>• Placement decisions</td>
</tr>
<tr>
<td>• Content decisions</td>
</tr>
<tr>
<td>• Pedagogical decisions, including pacing</td>
</tr>
<tr>
<td>• Differentiated instruction</td>
</tr>
<tr>
<td>• Perceived purposes of formal and informal assessments</td>
</tr>
</tbody>
</table>

4. How do state, district, and school-based accountability policies promote or inhibit these teachers’ use of data for making instructional decisions?

<table>
<thead>
<tr>
<th>Informal Data Not Recorded or Analyzed Systematically</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Coding of transcripts</td>
</tr>
<tr>
<td>• Analysis of frequency of use and ascribed relevance</td>
</tr>
<tr>
<td>• Comparison of teacher self-reporting with administrative perspective</td>
</tr>
<tr>
<td>• Aggregated comparison of categories of teacher use of data using descriptive statistics</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Formal Data Recorded and Analyzed Systematically</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Perceived district accountability</td>
</tr>
<tr>
<td>• Perceived school accountability for student performance in Mathematics</td>
</tr>
<tr>
<td>• Perceived individual teacher accountability for student performance</td>
</tr>
<tr>
<td>• Role/actions of Building Leadership</td>
</tr>
<tr>
<td>• Individual teacher self-reporting of impact of CMT on instruction through transcribed audiotapes of semi-structured interviews</td>
</tr>
<tr>
<td>• Teacher self-reporting on NEA Survey questions 26a, b, 59, 60</td>
</tr>
<tr>
<td>• Administrator descriptions of perceived current teacher practice as well as desired practice through transcribed audiotapes of semi-structured interviews with building administrators</td>
</tr>
<tr>
<td>• School Improvement Team Plans and Reports</td>
</tr>
<tr>
<td>• Administrator descriptions of Board/Superintendent expectations/goals as described transcribed audiotapes of semi-structured interviews</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Formal Data Recorded and Analyzed Systematically</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Coding of transcripts of both teacher and administrator interviews</td>
</tr>
<tr>
<td>• Coding of school improvement team plans and reports</td>
</tr>
<tr>
<td>• Analysis of ascribed relevance</td>
</tr>
<tr>
<td>• Comparison of data by school</td>
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<tr>
<td>• Comparison of data</td>
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<tr>
<td>Question</td>
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</table>
| 5. What is the impact of grade-level objectives (based on state and national standards) on these teachers’ collection and use of data for making instructional decisions? | - Teacher self-reporting of administrative demands for analysis and improvement of CMT scores by individual teachers and by grade level teams  
- Transcripts of audio-taped interviews with District Mathematics Coordinator and Assistant Superintendent of Curriculum and Research and Evaluation  
- District documents, especially grade-level Curriculum Guides  
- Transcripts of audio-taped interviews with District Mathematics Coordinator and Assistant Superintendent of Curriculum and Research and Evaluation  
- Teacher self-reporting of relevance of district objectives and alignment of objectives with instructional materials and assessments  
- Teacher self-reporting on NEA Survey, questions 25a, b;  
- Administrator descriptions of perceived current teacher practice as well as desired practice through transcribed audiotapes of semi-structured interviews with building administrators  
- School Improvement Team Plans and Reports  
- Use of district objectives check list  
- Mathematics Coordinator’s perception of teacher and school practice as described in transcript of semi-structured interview  
- District documents, especially grade-level Curriculum Guides  
- Transcripts of audio-taped interviews with District Mathematics Coordinator and Assistant Superintendent of Curriculum and Research and Evaluation | - Coding of transcripts of both teacher and administrator interviews  
- Coding of school improvement team plans and reports  
- Analysis of ascribed relevance  
- Comparison of data by school  
- Comparison of data within each school by grade level especially grades 6 and 7 vs. grade 8  
- Comparison of data district-wide by grade-level especially grades 6 and 7 vs. grade 8 |
### 6. How do building level factors of leadership and school culture affect teachers’ use of data?

<table>
<thead>
<tr>
<th>Impact of School Culture</th>
<th>OCI (Organizational Cultural Inventory)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field notes from site-visit observations (Staff Room conversations; conversations with teachers in other disciplines and not directly interviewed for study; observations of interpersonal behavior; adult relationships; student behavior)</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Impact of Building Leadership</th>
<th>Individual teacher perceptions through transcripts of audiotapes of semi-structured interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transcripts of audio-taped administrative interviews</td>
<td></td>
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<tr>
<td>Field notes from site-visit observations (Staff Room conversations; administrative actions, time use, and location during school day; building climate; interpersonal behavior; adult relationships; student behavior)</td>
<td></td>
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<table>
<thead>
<tr>
<th>Compilation of individual normative beliefs using OCI Circumplex</th>
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<tbody>
<tr>
<td>Computation of aggregated normative profiles for each school and corresponding percentile scores for each school and inter-school comparison</td>
</tr>
<tr>
<td>Analysis of range of individual scores for measure of cultural intensity</td>
</tr>
<tr>
<td>Coding of field notes from site visits</td>
</tr>
<tr>
<td>Pattern search and comparison of cultures at 3 schools based on analysis of coded information from transcripts and field notes and OCI data</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Development of school-wide summaries from analysis of coded data from teacher and administrative transcripts and field notes; intra-school analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparison of teacher</td>
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</tbody>
</table>
| 7. How do individual teacher beliefs about the efficacy of data-based decision making affect their instruction? | • Individual Teacher Beliefs: Validity, Reliability, Accuracy, Usefulness, Importance, Relevance | • Teacher self-reporting of beliefs about data use and validity of different kinds of data  
• Teacher self-reporting on NEA Survey Questions 59, 60 | • Coding of transcripts of individual teacher interviews  
• Comparisons of School populations and student performance |
| --- | --- | --- | --- |
| 8. What is the influence of teacher preparation programs and subsequent professional development on teachers’ beliefs, knowledge and practice in using data for making instructional decisions? | • Teacher Preparation, Certification, and Graduate Programs  
• Teacher experience prior to current assignment  
• Teacher experience (longevity) in current assignment  
• District-wide required Professional Development  
• Building,  | • Teacher Survey  
• Teacher Response to NEA Survey questions 44, 45, 46a, 46b  
• Transcripts of Teacher Interviews | • Development of spreadsheet of teacher demographic data for intra-school and interschool comparisons  
• Comparison of teacher demographic profiles with analysis of data from questions 1,2,3 and 7 |
<table>
<thead>
<tr>
<th>Department, or Grade level Professional Development</th>
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</thead>
<tbody>
<tr>
<td>• Off-site teacher initiated Professional Development</td>
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</tbody>
</table>
The relationships among the factors that contribute to teachers’ use of data for making instructional decisions are more complex than the conceptual framework (See Figure 2) suggests. Preliminary interviews in the district studied suggested that, two other factors should be considered in analyzing teaching decision-making: the attempts by parents to influence decision making especially with regard to placement decisions and the micro-management of the curriculum by the Board of Education as evidenced by their attempts to exert unusual influence over curriculum and text selection. District documents such as planning team goals, school newsletters, and information from school websites are being studied to supplement the teachers’ and administrators’ perceptions of parental influence. Similarly, the role of the Board of Education in shaping district accountability procedures and instructional standards relative to mathematics is being assessed by examining district documents such as minutes of the Board Curriculum Committee and through interviews with teachers and administrators. While the focus of this study has been the individual classroom teacher making decisions within the context of a particular school led by a three-person administrative team, additional external factors that surfaced in the study are being noted.

Significance

This study is particularly important because it examines the process of accountability from the teachers’ perspective. Because of state and district pressures to comply with the mandates of recent federal legislation, superintendents and principals need to gain a deeper understanding of how to use data effectively to improve instruction. By understanding the critical leverage points for teacher “buy-in” and their implementation of data-based instruction,
superintendents and principals can better allocate time and budgetary resources for professional
development and for data management systems at the district and building levels.

Although my multiple case study is limited to three middle schools in a single school
district, the individual populations of the three schools vary significantly from each other. The
student populations vary significantly in terms of socio-economic status. The teacher
populations vary in terms of age, experience, and longevity within a building. Among the
administrators there are marked distinctions in terms of personality and leadership style. This
variability has provided the opportunity to investigate the impact of building leadership and
school culture on teachers’ use of data for making instructional decisions. Since this study
focuses on mathematics teachers, I hope to eliminate any effects of math phobia or innumeracy
in the use of data. The district’s significant resources also provide an opportunity to eliminate
the possible impact of budgetary limitations on teachers’ practice.

The methodology provided immediate data relative to the first three research questions -
the extent of use of student performance data for instructional decisions as well as the kinds of
data used. The data also provided some information on the relative perceived importance of the
factors of accountability, standards, and data accessibility on individual schools and teachers.

While the internal factors of building leadership, school culture, and teacher beliefs contribute to
teachers’ thinking, it is more difficult to distinguish their relative significance. Teachers are able
to describe what they do when using data and these descriptions can be validated through the
triangulation discussed earlier. Careful coding and pattern analysis may provide insights on the
understanding the impact of building leadership, school culture, and teacher beliefs on teachers’
use of data for making instructional decisions. Preliminary answers to research questions 1, 2,
and 3, based on interviews in one of the schools in the study were shared with mathematics
leaders at the annual meeting of the National Council of Supervisors of Mathematics in Philadelphia on April 19, 2004. Attendees’ responses indicated that their own experiences paralleled the initial findings regarding factors affecting teachers’ use of data, but they wanted more specific information on the relationships among these factors, their relative importance, and how to influence them. The additional findings of this study should clarify these questions and suggest new directions for future research.

Additional studies in other districts, at other grade levels, and within other curricular areas are needed to explore teachers’ use of data even further. One limitation of the study is its short time limit. However the research will benefit from the perspectives of two principals who have been in their buildings 17 and 28 years respectively, and from the third principal, who while serving as an interim principal when the data was collected, previously served 22 years as an assistant principal and 6 additional years as mathematics chairperson in this same school. While definitive answers may not be provided, the study may suggest different models and pathways to encourage and assist teachers in the use of data to enhance instruction to improve student learning. By describing current practice, the research should also help administrators and policymakers understand that increased testing, more data collection, and advocacy for data-based decision-making do not necessarily help change teachers’ instructional practices in a manner that will increase student achievement.

**Anticipated Findings**

Because I currently in the process of analyzing the data, I am unable to report definitive findings. However, I expect the following themes to emerge when the analysis is completed.

1. Middle School mathematics teachers have access to a wide variety of data. Most of the externally collected data is neither analyzed nor used. However, there are two
significant exceptions: a) When one or more teachers have enough concern about a particular student to warrant group discussion, most often at a grade level team meeting, they often consult that student’s folder, usually stored in the guidance office, to see if there is any helpful information that would suggest appropriate diagnosis and/or intervention to address the concerns. b) State-mandated test data, aggregated by school and grade level but dis-aggregated by objective is used to develop plans to improve schools’ scores on these tests in future years. (See discussion below.)

2. Teachers rarely collect or record proximal data in a systematic way. Quiz and test scores are recorded primarily for the purpose of determining student grades. If most students do poorly on a particular quiz or test question, the teacher will often re-teach the concept tested. If an experienced teacher has observed students’ difficulty with a particular concept or skill in past years, he/she may decide to devote more time to the topic in subsequent years. Finally, if a student is observed struggling while the class is engaged in an in-class task, the teacher will offer individual assistance to the struggling students. A few teachers will give practice assessments prior to the actual tests. These teachers may ask struggling students to come for extra help either before or after the official school day. The extent of this practice varies with individual teachers – from extensive individualized help to almost none.

3. Grade level objectives are almost identical to the objectives of the related state tests. Thus in middle school, the sixth and seventh grade objectives are tightly aligned with the state test given in the fall of 8th grade. Eighth grade objectives depend upon the course. For students in pre-algebra, algebra, or geometry, the objectives are to cover
generally agreed upon chapters in the text selected for the course. In algebra and
geometry, there are common district-wide end-of-course exams. There is less
accountability for student mastery of particular skills or understanding of concepts in
the pre-algebra and basic sections of grade 8 mathematics.

4. Students are “tracked” into two levels in grade 6 mathematics. The weakest students
in the lower level are also offered additional support providing essentially a third
level. These decisions are based most often on recommendations of the grade 5
elementary teachers. By grade 8, there are essentially 5 different levels of
mathematics taught. Differentiation of instruction is rarely visible. The number of
available levels of instruction as well as the large student loads (approximately 100
students per teacher) makes differentiating instruction “impractical” in the view of
one principal. In the two more affluent schools, many students receive extensive
tutoring, arranged and financed by their parents. Some numerical data, especially a
district-wide test, is used to select students for a summer “bridge” program. This
program either allows a student whose achievement has been modest relative to this
peers to remain at a particular level rather than “drop down” or in some cases to
“bridge” to the next higher level. However, students are given two options to
accelerate – the summer bridge program or tutoring.

5. Data is used primarily at the macro-level for content decisions with a goal of
improving student achievement on state-wide mandated criterion-referenced tests.
Data is rarely, if at all, used to measure individual student knowledge or growth or to
design specific differentiated individualized instruction. Data for individual students
is collected primarily to provide a rationale for a grade or a grouping decision. There
was also no evidence of data being used to influence teachers’ pedagogy. When a teacher is aware that a large group of students are not grasping a particular concept or skill, the primary response is to spend more time on that topic.

6. Although a better understanding of the impact of leadership and school culture may emerge from the completed detailed analysis of the data collected, there is no evidence of teachers’ use of data being affected more by one leadership style than another. In one school, where the principal with the greatest knowledge of state reports retired, teachers were not given data for their particular students and the data was essentially ignored. In the other two schools, the principals spent a considerable amount of time analyzing the state reports before sharing the data with the teachers. I have not yet detected a significant difference in teacher behavior in the two remaining schools – one with a principal with a “direct, hands-on management style” and the other with a more “laissez-faire” approach. The variation in teacher practice among individual teachers in an school appears at this stage of the analysis to be greater than the variation observed among the three schools.

7. At this stage of the analysis, no clear patterns have been suggested regarding the impact of teacher beliefs and professional development. I suspect however, that the more conscientious teachers seek more professional opportunities and collect and use more data that less energetic, motivated and committed teachers.
Impact of External Accountability

I was asked by the conference planning committee to discuss particularly the external factor of accountability. What is the relationship between accountability and assessment? The public defines accountability as student achievement testing (Doyle, 2002) and the Association for Supervision and Curriculum Development (ASCD) acknowledges that this limited definition of accountability is widely held. While noting a more generic definition of accountability as “the responsibility of an agency to its sponsors and clientele for accomplishing its mission with prudent use of resources,” it also observes that “in education, accountability is thought to require measurable proof that teachers, schools, districts, and states are teaching students efficiently and well, usually in the form of student success rates on various tests (ASCD, 2004). My study confirms that this view of accountability is widely held and over the past few years has had an increasingly greater impact on instruction. Specific examples of how accountability impacts instruction are listed below are described in the tentative observations and conclusions listed below. They are based primarily on the practice of the middle school selected for the study, but they do not seem to differ from other reported practices – at least in the teaching of mathematics in the state of Connecticut, K-8. Additional studies in other disciplines, at other grade levels, and in other states are needed to know whether or not any of these observations are valid in other contexts.

1. Mandatory state testing in the fall of grade eight whose results for schools and districts are given a high public profile drives the year-long content of mathematics instruction for grades six and seven. Schools throughout the state are selecting texts and other instructional materials K-8 based on their perceived alignment with the state tests. District objectives and assessments are tightly
aligned with the objectives of the state curricular framework. Too often, released test items rather than the framework drives the instruction.

2. State mandated testing that is part of the accountability provisions of NCLB influences the grade level curriculum for all students. Teachers and administrators tend to examine school wide trends rather than individual student performance. Teachers are asked to develop plans to improve overall student performance on objectives in which the school has historically had the lowest achievement. The tests are rarely used for individual diagnostic information. Students whose test performance indicates mastery of topics continue to have their skills “reinforced” as a result of this “whole class” instruction.

3. Currently, the first month of school, especially in grades 6 and 8 (the years previously tested) is devoted to test prep. How this will change when testing is moved from the fall to the spring is unclear.

4. Special summer opportunities are offered to “cusp” students. Students who scored just below goal or barely at goal on previous assessments are offered special test prep beyond the school year, often during the previous summer. As one principal stated, “We don’t want to fertilize the rocks.” The desire to improve the school’s overall score, the percentage of students at goal (as opposed to the district’s average score) through strategic use of resources overrides concerns about equity. Thus the way in which the scores are reported as part of a school’s strategic profile affects allocation of resources.

5. In one school in the study, teachers are designing curricular packets to support the teaching of objectives in which fewer than 80% reach goal historically. This
project is the entire focus of their professional development work for the year. They are supplementing areas in which the available texts do not provide adequate instructional materials on tested topics.

6. In the school with students with the lowest SES, teachers of students in grades six and seven feel much more curricular stress because of the need for students to master tested objectives than do teachers of students in grade eight who have a looser curriculum, a greater sense of autonomy, more projects, and less concern with students mastering particular skills or concepts. However, in the two higher SES schools, concerns about students doing well in subsequent mathematics courses at the high school appear to negate this difference. (Previous work at the elementary level in several districts indicated that teachers did not want to be assigned to grade three because of the testing in the fall of grade 4.)

7. There is some evidence that because of the growth targets of NCLB for all students to succeed, there is beginning effort to pay more attention to the lowest performing group of students. However, these students still tend to be taught by the least able teachers and offered a significantly less challenging curriculum. For this reason, in one school an effort is being made to design a “teacher proof” curriculum based on the state tests.
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**Paper Presenter**

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Public Confidence in Education: Why Should We Care?

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Abstract
This paper attempts to show how, if at all, public opinion about public education influences federal education policy. First, the relationship between success of the public education system and public confidence in the system is examined. Second, an inquiry into the consequences of public confidence in public schools on federal spending on primary and secondary public education is undertaken. Success of the public education system, as measured by NAEP reading and math scores and high graduation rates, was not found to be the driving force behind public confidence in the system. However, public confidence in the public education system was found to influence federal spending on primary and secondary education. Thus, further investigation into the driving forces behind declining public confidence in public schools could provide a means for increasing confidence, and therefore increasing federal spending on public schools.

Introduction

The decentralized nature of the U.S. public education system demonstrates the belief that community should have a major role in the shaping of the public education system. The public school system is a prime example of American democracy and capitalism at work (Katznelson and Weir 1985), and is an institution that embodies the goals our forefathers had for our country. There is a school board with members elected by the public, as well as, monthly or quarterly meetings open to the public. Therefore, public schools in the U.S. have the ability to be governed by the general public either through a representative system or through direct participation. Following from this point, is the fact that the public schools in the U.S. are locally governed and there are no overriding federal standards and, often minimal, state standards, which demonstrates that the principle of federalism, that the United States was born on, is alive, and may be well. Based on the structure of the public education system the public has control and could be very influential; confidence in the public education system should have implications for reform.

Confidence in all institutions, both public and private, has been declining since the mid-1960s (Erikson and Tedin 2003; Lipset and Schneider 1983; Maass 1983; Miller 1974). Politicians have repeatedly pointed out this fact with the aim of restoring confidence as it is
believed that a healthy country is one in which the majority of citizens have confidence in a majority of institutions. President Carter, in a speech on July 15, 1979, addressed this concern when he said, “a subject even more serious than energy or inflation … a fundamental threat to American democracy” was a “crisis of confidence” as demonstrated by “a growing disrespect for government and for churches and for schools, the news media and other institutions” (Lipset and Schneider 1983). Obviously, public confidence in institutions is desired and instrumental in the functioning of the institutions. Yet, up until this point confidence in the public education system, an integral and venerated American institution, has not been the principal component in many investigations.

Confidence in the United States education system is vital to its success. The public education system in the United States requires and utilizes resources and input from the community, parents, and volunteers as well as teachers and administration. This means in order to function successfully public education needs the help of many citizens who are both directly and indirectly related to it. However, over the past quarter of a century public education has received much criticism in the media, in Congress, and among scholars. Stagnate test scores, increased school violence and vivid descriptions of the vast inequalities in our public schools have all contributed to the “American education crisis” (Kirst 1984; Doyle 1993; Berliner 1993; Murphy 1993). Is there a crisis in education? That is, are the public schools worse off today than they were twenty years ago? If so, what is being done to mend the system? How reliable and accurate is the public information about the quality and success of the public education system? Does the public have any impact, through effecting federal spending, on the success of the education system?
The first part of this paper will attempt to address and make sense of the relationship between math and reading achievement scores, as well as, high school completion rates and the public’s alleged reactionary confidence in the system itself. Data from the National Assessment of Educational Progress’s (NAEP) math, reading, and science achievement tests for thirteen-year-olds along with the National Center for Education Statistics’ (NCES) high school completion rates from 1977 to 2000 will be analyzed to measure success of the public education system. Then, these data are investigated in conjunction with a Gallup Poll measure of public confidence in the public schools for the same time period in an attempt to discover the relationship, if any, between high school completion rates and math and reading achievement scores and public confidence in education. If a relationship is discovered it will show that actual trends in the outcomes of the public education system may be driving confidence in the system, which is what would be expected. After the relationship between trends in education and public confidence in public schools is untangled a further inquiry into the consequences of public confidence on federal spending to primary and secondary public education is undertaken. It is predicted that federal spending on education will be influenced to some degree by public confidence in the public education system. These two analyses are intended to first examine to what extent public confidence in public education is derived from informed citizens and then, second, to determine the extent to which the federal government is responsive to the public’s concerns about public education.

This paper begins with a comprehensive overview of the past research on education trends, general public opinion about education, spending on education, and government responsiveness in general and in response to public confidence in institutions. Next, follows an explicit explanation conveying the study’s dual model design. A discussion of the results of the
correlations within the two models and the two OLS regression outputs ensues. This paper concludes with suggestions for improving the investigation of public confidence in education and the federal government’s responsiveness to it, and with ideas for future research.

**Literature Review**

From the late 1960s to the early 1980s the topic of confidence and trust in American institutions received a fair amount of scholarly attention (Lane 1966; Lipset and Schneider 1983; Maas 1983; Miller 1974). The consistent finding is that public confidence in institutions has steadily declined since about 1965. Robert Lane (1965) found that from the 1930s to the early 1960s Americans were increasingly positive on a number of indicators about the operation of society and the political system. Unfortunately, the body of research beginning after 1965 tells a different story.

An in-depth analysis of both Harris and National Opinion Research Center (NORC) surveys by Seymour M. Lipset and William Schneider (1983) revealed a significant increase in negative feelings about the performance of the major institutions in American society. Specifically, they found a widespread loss of faith in the leadership of business that paralleled similar trends in labor, government and other private and public institutions. Lipset and Schneider (1983) concluded there appeared to be a, “broad loss of confidence in the leadership of our major political and economic institutions” (34). This investigation concluded in 1981; however, as they predicted, the negative confidence trend did not reverse throughout the 1990s.

Two other noteworthy findings arose from Lipset and Schneider’s (1983) analysis. One, confidence in the political system in general remained fairly high and constant over the time period (1964-1980). This suggests that it was not that Americans had lost all faith in the system, but instead they just lost faith in those controlling the system. For example, the majority of
Americans answered they had lost confidence in the leaders of government, but in a follow up question said they did have confidence in the government system. The implications of this finding are optimistic. A new system is not required just new leaders. The second finding is even more important for the topic of this paper, confidence in public education. It was discovered that Americans had higher confidence in and perceived less waste from government units that are closer to them. Americans have more confidence in and estimate less waste from local government than state government as well as from state government than federal government. Because the public education system is mainly under the control of state and local governments, it seems reasonable to have expected confidence in the public education system to not have suffered as drastically from the drop in overall institutional confidence that was seen in the last thirty years. Yet, this expectation does not hold up to the facts.

David M. Shribman (1999) determined that confidence in major education institutions dropped from 61% in 1966 to 27% in 1997. Lipset and Schneider (1983) themselves found confidence in the leaders of education to have dropped from 61% in 1966 to 37% by only 1971. Therefore, although Americans may have more confidence\(^1\) in state and local governments than the federal government, the hierarchal nature of public education system did not prove beneficial in terms of public confidence in it. Confidence in the public education system differs from previous researchers conclusions about other institutions such as Congress, business, and labor. The complicated determinants of confidence in education are not well explained by the current research on confidence in institutions. These general explanations mainly consist of either the public’s increased expectations caused by the prosperous decades between 1950 and 1965 (Lipset and Schneider 1983; Miller 1974) or increased alienation and the erosion of social

\(^1\) Measured both by direct confidence questions, i.e. how much confidence do you have in your local government, and other survey questions such as do you think the federal government or your state government produce more waste (Lipset and Schneider 1983:345).
connectedness (Putnam 1995). Both of which may be occurring and affecting confidence in education, but the distinct nature of and great importance placed on education require more scrutiny. A comprehensive look at confidence and trust in public education will be provided to aid this investigation.

At the onset of this investigation it is important to reiterate the importance Americans consistently place in the public education system. Despite the increased criticism of public education, respondents to national surveys rarely say that it is the most important problem facing the nation, although, it does make the list (Hochschild and Scott 1998; Smith 1982). There was, however a significant increase in those Americans who felt education was the most important problem facing the nation from 1988 to 1996: it went from two percent to thirteen percent (Hochschild and Scott 1998). Education is usually beat out by drug regulation, crime prevention, health and social security (Smith 1982). However, the majority of the public believes that, “education is seen as the key ingredient in equality of opportunity and as a public good not just as a benefit to individual citizens” (Page and Shapiro 1992: 132). Many Americans view the education system as an essential institution in society.

For years polls have been conducted about the public’s confidence in education and how the public rates education compared to other institutions in the U.S. It has been shown that public confidence in education has declined since the mid-1960s (Hochschild and Scott 1998; Lipset and Schneider 1983; Shribman 1999; Smith 1982). In 1970, four in ten Americans had a great deal of confidence in public education, but in the mid-1990s less than twenty-five percent of Americans had a great deal of confidence in public education and those who had hardly any confidence in public education doubled from the 1970 rate (Hochschild and Scott 1998).
Contrary to the declining trend in confidence in the education system is the ratings Americans give their local schools. Most respondents give their local schools high ratings such as, excellent or good, and rarely, one in ten, rate them as very poor. This is especially true in rating the school their child attends (Hochschild and Scott 1998). This is a very interesting phenomena, as everyone’s local school could not be excellent if the education system is mediocre or even poor, but the majority of people think that their local schools are better than the average American public school. This finding is related to a larger American phenomenon in which Americans repeatedly express confidence and optimism about their own lives and personal futures while at the same time complaining about the awful state of the country (Lipset and Schneider 1983). This demonstrates the, often, complex nature of American public opinion.

Another intricacy of public opinion, directly related to education, is opinions about funding. The public supports the equalization of funding across districts on the federal level, but has consistently opposed state attempts to redistribute local funds (Hochschild and Scott 1998). Furthermore, most Americans desire low levels of both federal and state control and high levels of local control, but they support increased federal spending on schools (Hochschild and Scott 1998; Page and Shapiro 1992; Smith 1982). If the federal government is going to increase spending it most likely will implement some sort of evaluation or restriction to ensure that the money is being used effectively and for the desired purpose. As evidenced by the recent No Child Left Behind (NCLB) legislation low-performing schools must give their students standardized tests to demonstrate their deficiencies in order to receive federal funding. Additionally, the NCLB legislation required all schools receiving federal money, specifically Title 1 schools, to notify parents of constant substitute teachers in the classroom and the school’s low-performing status, to offer free tutoring services, and available transfer to high-performing
schools after a child’s school has been classified as low-performing for two or more years. On paper all of these requirements may seem logical and even necessary, but many schools are not able to meet all the requirements and thus face losing their federal aid (http://www.ed.gov/policy/elsec/leg April 19, 2004). Increased federal spending with decreased federal control is just not realistic.

The complexity of federal spending on education is illustrated by the contradictory public opinions and policy preferences about public education. Before the particular topic of federal education spending is embarked upon, the relationship between opinions and policy must be addressed. Is there a relationship between public opinion and public policy? If the answer is no this paper should conclude here. If the government pays no attention to public opinion then we need not enter into a discussion about federal education spending, as it would not belong in a paper about public confidence in education. However, most political scientists would disagree, and say that the importance public opinion is its ability to lead, and possibly determine, policy (Bartels 1991; Erikson and Tedin 2003; Jacobs and Shapiro 2000; Lipset and Schneider 1983; Monroe 1998; Page and Shapiro 1992; Hartley and Russett 1992; Wlezien 1996, 2004).

One of the main principles of democracy is responsiveness. Benjamin I. Page and Robert Y. Shapiro (2002) said, “The health of democracy rests upon responsive policymakers…” (302). Christopher Wlezien (1996) notes that, “representation of public preferences in public policy is fundamental to most conceptions of democracy” (81). This is similar to Larry M. Bartels (1991) statement that, “the appeal of representative democracy hinges on the responsiveness of elected politicians to the preferences and interests of its constituents” (457). Responsive government is essential to American democracy. The government needs to be aware of the public’s opinions
and more importantly needs to act accordingly in order for democracy to function, as we, Americans, know it.

There are many models that try to explain why and how American politicians are responsive to the public. Among others there is the sharing model, the party vote model, the role-playing model and the median voter theory. In the sharing model it is assumed that politicians and the public have the same opinions, this consistency being why that particular politician was elected, and thus policy will be congruent with the public’s opinions (Erikson and Tedin 2003). The party vote model states politicians enact policies that are consistent with their political party, and all of its partisans, views (Jacobs and Shapiro 2000). The role-playing model maintains it is of personal concern of politicians to reflect the preferences of their constituents (Erikson and Tedin 2003). The median voter theory says that politicians will personally benefit, by capturing the most votes within their ideological constraint, from enacting policies consistent with the median voter’s opinions (Jacobs and Shapiro 2000).

Not only is responsiveness important as a principle and aspect of a functioning democracy, but also it is in the self-interest of politicians and officials to be somewhat responsive. That is, they need to be re-elected, and therefore need to appease the public to some degree. However, contrary to modern democratic thought that major policy change only happens when there is electoral competition via partisan turnover or incumbents’ anticipation of the constituents’ demands, Bartels (1991) found that even safely guarded incumbents are responsive to public opinion. Bartels (1991) showed that important policy change can and does occur even in the absence of significant congressional turnover. Therefore, the democratic system as a whole requires responsiveness, and so too do individual politicians. There may not always be a difficult decision between being a responsive politician and pursuing one’s own policy goals.
Robert S. Erikson and Kent L. Tedin (2003) find much parallelism between the views of the legislators and those of the national public. They found that on most issues the public is only slightly more liberal than the legislators, specifically on issues such as capital punishment, firearm permits, teacher and police unionization, and parochial school aid.

Much of the research on responsive government investigates responsiveness by looking at preferences for spending and actual government spending (Bartels 1991; Erikson and Tedin 2003; Hartley and Russett 1992; Lipset and Schneider 1983; Wlezien 1996, 2004). One specific area that has received much attention is that of military spending. Bartels (1991) conducted an analysis of representatives’ roll call votes in the first year of the Reagan administration’s Pentagon buildup and constituency opinions on defense spending during the 1980 election campaign. He found constituency opinion had broad-based influence on many representatives across a wide range of specific defense spending issues. Thomas Hartley and Bruce Russett (1992) found that increases in the percentage of the public who thought government was spending too little on the military resulted in statistically significant increases in military spending. This finding supports the hypothesis that public opinion influences policy.

Additionally, Hartley and Russett (1992) found no evidence that government systemically influences public opinion. Wlezien (1996) found evidence of responsiveness in the defense spending realm also. He found that signals the public sent to policymakers in the form of preferences for more or less spending led to corresponding changes in policy. More recently, Wlezien (2004) demonstrated that responsiveness to public opinion varies across domains, reflecting public importance of different policy domains. That is, in areas where the public

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72 Many theorists have pointed to the fact that many findings about the high responsiveness of government to public opinion is due to the fact that the government has first manipulated opinion and then enacted policies consistent with the manipulated opinion (Jacobs and Shapiro 2000; Lipset and Schneider 1983; Monroe 1998; Page and Shapiro 1992). Thus, it is important to find measures of true public opinion not of the public’s opinion after it has been heavily influenced. This can be accomplished in one of two ways, the occurrence of manipulation of public opinion could be investigated and then responsiveness to public opinion on these issues would not be counted as such, or measures of public opinion at time periods significantly prior to government action could be investigated.
notices and responds to policy change, politicians tend to represent public preferences. Specifically, Wlezien (2004) finds there to be the most consistency between budgetary appropriations and public preferences in the domains of defense, welfare, and health programs. Wlezien’s (2004) investigation is extremely interesting and thought provoking as he finds support for both global responsiveness and specific responsiveness. Depending on the domain responsiveness varies both between domains and within domains. There appears to be much necessary responsiveness to public opinion in the domain of defense spending, but what about education spending?

Public opinion about federal education spending has seen a bit of fluctuation in the last fifty years. The trends in support for federal education spending may in fact be tied to overall declining trust of the federal government and increased preference toward more localized control (Lipset and Schneider 1983; Page and Shapiro 1992). After World War II public support for federal education spending increased, but the support was not constant and declined in the mid 1960s (Smith 1982; Hochschild and Scott 1998). The arguments for and against federal spending on education are both compelling. The case against more education spending usually implores one or several of the following explanations: it is impossible to equalize educational opportunity, there is no need for federal assistance (that is, there is enough funding for education as it is), it threatens local control, it is unconstitutional, it discourages individual initiative, the public is against it, there is no historical precedent, or it would be an infringement on individual freedom (Rossi and Gilmore 1982). The argument in support of federal education spending encompasses one or more of the following: the broader tax base the federal government has access to, the greater efficiency of federal taxes, and fact that there is great mobility in the population (Rossi and Gilmore 1982). Overall, the federal government has a more reliable and
steady flow of tax revenue, and thus can, more so than state governments, be counted on to provide certain school districts, especially those in need, with additional funds. The federal government has more of an ability to redistribute funds to school districts no matter what the other circumstances in that district are such as a low tax base or suburban flight in a city district, for example.

Studies show that the latter argument about federal education spending is most promising; increased spending does mean better schools (Alexander 1997; Berliner 1993; Smith 1982 Wenglinsky 1997). More money at the school level means higher teacher salaries, smaller class sizes, and a longer school year, all of which are correlated with higher achievement (Alexander 1997; Berliner 1993; Kirst 1984; Wenglinsky 1997). Using NAEP data on mathematics test scores of eighth graders Harold Wenglinsky (1997) found that increased per-pupil expenditures for instruction and administration are related to student achievement chiefly because they reduce class size, which then increases student achievement. Karl L. Alexander (1997) conducted an experiment at a Tennessee elementary school in order to determine if smaller class size did, in fact, increase student achievement. Randomly selected classes were made either small, only 13 to 17 students, with no special resources or large, 22-27 students, and given a full-time aide. Alexander (1997) found that the students in the small classes consistently performed better academically than the students in the large classrooms. Being able to pay teachers higher salaries is crucial to having bright and experienced teachers, two qualities that are proven to be critical to student achievement (Berliner 1993; Kirst 1984). Increased spending on education has a positive impact on educational outcomes. So, how much does America spend on education?

Contrary to popular belief, the United States (local, state and federal governments combined) does not spend more than any other country per pupil for K-12 education and higher
education. The United States, in 1993, was tied with Canada and the Netherlands for education spending and all three countries were surpassed by Sweden (Berliner 1993). More importantly, is the fact that, the apparent high spending in education is due to the U.S. spending significantly more than any other industrialized country on higher education. When spending on higher education is taken out of the equation and spending on preprimary, primary, and secondary education is compared across countries the U.S. spends less than the average industrialized country (Berliner 1993).

Another problem with federal education funding, previously alluded to, is that increased federal spending implies increased federal control. Federal educational spending is categorical (Rossi and Gilmore 1982). This means the funding is provided for specific projects, to target populations, or certain subject areas, i.e. reading programs. General funding that is unregulated and can be applied to anything the local school district deems necessary is not common (Rossi and Gilmore 1982). The categorical form of federal funding usually comes with regulations, requirements, and restrictions. Local school districts often have a hard time meeting all the requirements, restrictions, and regulations imposed by the federal government. School administrators lose much control over how things are done in their schools (Kirst 1984). The schools end up spending significant amounts of time figuring out how to meet the federal guidelines at the expense of the children. Therefore, even though increased education spending does lead to benefits it does not always prove effective. Evidently, there are sound arguments for and against increased federal education funding. What makes some Americans support increased education and others oppose it? There are not many investigations devoted to the specific nature of the public’s preferences toward education spending. However, Tom Smith (1982) offers an
extensive study about what factors make Americans support federal spending on the public education system.

Smith (1982) found some intriguing results; an age effect, a confidence in education effect, and a social welfare support effect. As support for social welfare declines so does support for education spending. Also, confidence in education is strongly linked to spending, but this relationship is unclear. Confidence in the education system leads to the belief that spending is at the right level. Whereas, a lack of confidence in the education system leads to the desire for a change in the level of education spending, that is, an increase or a decrease. This leaves policymakers at a crossroads when there is a lack of confidence in the education system, and also points to the fact that many Americans may not actually know what is needed, more or less funding. If policymakers are not responsive to the public in the education sphere than these concerns do not matter, but that will be examined later. The final notable effect from Smith’s (1982) investigation is age. As one gets older support for education spending seems to decrease. This could mean one of two things, if this is a maturation effect than it will persist through time and older people should always oppose more education spending, but if it is a cohort effect than the next group of older individuals may not oppose more education spending and could favor increased spending. Smith (1982) conducted his research in the late seventies so that time has moved on and taking a second look at age today could yield different results, unfortunately that question cannot be answered within the confines of this paper.

It should be evident at this point that the issue of education spending is very complex and certainly differs from defense spending, an area where much previous research has been concentrated. Because there is much controversy over how much the federal government should be spending on education, if anything at all, it may lead to less responsiveness from the
government. However, President Bush’s recent No Child Left Behind legislation exemplifies the government’s recognition of its responsibility to educate all children no matter what race, ethnicity, or socioeconomic class they are from. Government recognition is not enough; it needs to be backed up with funding for implementation and change to occur. The government seems to be responsive to the public on numerous specific issues, on spending preferences, and at a large extent to general substantive opinions (Bartels 1991; Erickson, Mackuen, and Stimson 2002; Erikson and Tedin 2003; Hartley and Russett 1992; Jacobs and Shapiro 2000; Lane 1966; Lipset and Schneider 1983; Maas 1983; Miller 1974; Smith 1982; Wlezien 1998). The public does have some influence on policy, but the complex nature of education spending may produce ill-informed and poor public opinions and preferences for education policy.

The reality of the United States public education system today is grim for some. There are children in the fourth grade and higher who cannot read. There are high schools with no textbooks, there are first grade classes taught by substitute teachers the entire school year. The numerous disparities and dysfunctions in the public education system are all too familiar, but is there a light at the end of the tunnel? Increased federal funding for public schools is a very strong candidate. Public opinion about education could be a means to get more funds into the public school system. More federal spending on education will have positive outcomes for the majority of children who will see the materials and improvements that come from the increased funds. This paper will try to untangle the complexity surrounding public opinion about the public education system and attempt to discover the extent to which the federal government is responsive to the public on the issue of public education. The two main questions that will be addressed are: Does public confidence in education follow real trends in education? and Does public confidence have any effect on federal spending on education?
Hypotheses

Public confidence in education should correspond to the success of the education system. When the education system is doing well, public confidence should be high and when the education system is doing poorly, public confidence in it should decrease. Additionally, because of the fundamental democratic principal of responsiveness, the federal government should react to low public confidence by attempting to restore confidence through increased education spending. This leads to two hypotheses:

Hypothesis 1:
Public confidence in education will increase when the public education system is doing well, that is when math and reading scores, as well as, high school graduation rates are all increasing.
Public confidence will decrease when the opposite occurs, that is, when high school graduation rates and math and reading scores decrease.

Hypothesis 2:
Public confidence in education affects federal spending on education. When public confidence is low federal spending will increase, and when public confidence is high, spending will remain constant or decrease.

Data

Model 1:
\[ \text{pubschconfid} = \beta_0 + \beta_2\text{readlag2} + \beta_3\text{mathlag2} + \beta_4\text{hscomplag2} + \beta_5\text{gnp} - \beta_6\text{tvnews} + \beta_7\text{genconfid} + \mu \]
The dependent variable, confidence in the public education system, is being measured by a question from the Gallup/CNN/USA Today Poll that was repeated between the years 1980 and 2000. The question is:

(Now I am going to read you a list of institutions in American society. Please tell me how much confidence you, yourself, have in each one—a great deal, quite a lot, some, or very little?)...The public schools

A Great deal
Quite a lot
Some
Very little
None (voluntary)
Don’t Know (voluntary)

This survey was conducted via a national telephone survey that used random-digit-dialing to administer the survey to between 1607 to 750 adults in the U.S. This question was asked in every year between 1977 and 2000, except for 1982 and 1992. The data for these two years was interpolated using the average of 1981 and 1983 for 1982 and the average of 1991 and 1993 for 1992. The answers a great deal and quite a lot were combined to get a composite measure of confidence in education because they are both very positive answers.

There are a few reasons why Gallup public opinion data was used opposed to Harris and NORC-GSS poll data, which are more frequently used in public confidence and trust analyses (Lipset and Schneider 1983; Maass 1983; Smith 1982). Gallup has always reported higher levels of confidence than Harris or NORC-GSS. This occurs because of the number of response categories offered (Lipset and Schneider 1983). Gallup gives respondents four rather than three response choices to describe their level of confidence. The Gallup options are: a great deal, quite a lot, some and very little. Harris and NORC only give the options: a great deal, some and

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73 In the analysis, the regression was run without these two observations and the results were not significantly different than those produced including the interpolated years. The R² is equal to 0.7949 in the analysis without the years 1982 and 1992 and it only drops slightly to 0.7848 in the analysis, including the interpolated values for 1982 and 1992. The only variable that is statistically significant in the analysis with the interpolated values of 1982 and 1992, reading scores, remains statistically significant in the analysis without the years 1982 and 1992. Therefore, the interpolated values for 1982 and 1992 do not significantly affect the results in any way, if anything they are more conservative estimates.
not much. Thus, Gallup gives two positive choices whereas Harris and NORC only give one. Because this analysis is interested in declining confidence it seemed appropriate to measure confidence by the positive answer choices, as they will decline if confidence is decreasing. Additionally, Harris and NORC-GSS ask respondents about their confidence in the people running education rather than Gallup’s version, which asks about the institution itself. Again, Gallup’s version is more suitable because this analysis is concerned with the education system not with the individuals running the individuals running it. Along the same lines, Harris and NORC-GSS ask about the education system and education respectively, whereas the Gallup question asks about public schools. This investigation is only concerned with primary and secondary public schools, and it seems that the phrase public schools conveys this meaning to respondents. Whereas, the phrases the education system and education would be more likely to invoke thoughts of public, parochial, and private schools, as well as, primary, secondary and tertiary education. Therefore, Gallup offers a better structured question than Harris or NORC-GSS for the analyses in this paper.

To further confirm to benefit to using Gallup data a study by Lipset and Schneider (1983) is reported. A quasi-experiment was conducted to determine the effects the two different question wordings and the different number of answer choices. The questions on a survey administered by Civic Service Inc. to 1,611 respondents were varied in two respects; whether confidence was measured for the leaders of institutions or for the institution itself and in the number of response categories given. It was found that it makes almost no difference whether the question is asked about confidence in the institution itself or in its leaders. However, the number of response categories did matter. When only three were offered, there was a higher proportion of respondents who reported negative confidence, but, when given four options, the
proportion that gave negative answers significantly decreased. This shows that many people had an aversion to the strongest possible answer, so when given two positive answers many will take the less positive one, but not the negative answer. Thus, the Harris and NORC-GSS version of confidence questions may be forcing respondents into categories they may not really fit into; it may be producing biased data. Therefore, Gallup’s question format seems to allow respondents to answer confidence questions more closely to their actual opinions than does the Harris-NORC format. Since Harris’s polls have been the ones most frequently administered and cited on the subject of confidence in institutions, the overall impression that the nation is facing a crisis of confidence may be, to some extent, an artifact of the question wording.

However, a brief analysis of both NORC-GSS confidence in education data and Gallup confidence in education data for the years between 1977 and 2003 demonstrated a consistency between the two sources. The correlation between the two organizations’ confidence in education data was found to be .6233. Thus, the two measures are highly correlated and using Gallup data instead of NORC-GSS data should not have altered the results in the analysis. This result is further confirmation of Lipset and Schneider’s (1983) finding that despite the different survey techniques and question constructions all the data suggest a continuing low level of confidence through the early 1980s.

A potential drawback of the Gallup poll (along with all other confidence polls) is its structure. Respondents are asked about their confidence in fifteen different institutions (varying from the police, the military, to the church or organized religion, television news or organized labor). However, the questions are rotated to minimize any consistency, contrast, and sequence effects.
The independent variables are public education success indicators. Specifically, the success of the public primary and secondary education system will be determined using math and reading achievement test scores for thirteen-year-olds from the National Assessment of Educational Progress’s (NAEP) math and reading achievement tests for the years between 1977 and 1999\textsuperscript{74}. Additionally, high school completion rates between the years 1977 to 2000\textsuperscript{75} from the National Center for Education Statistics (NCES) were analyzed\textsuperscript{76}. All three public education indicators are lagged by one and two years in order to account for the time it takes information to reach and resonate with the public.

The education indicators being used in this analysis are the most highly available, accurate and consistent quantitative indicators\textsuperscript{77}. There are many other ways to measure the success of the education system such as students’ mental health, teacher evaluations of their districts, number of high school graduates going to college or receiving a job directly out of high school, etc. However, within the constraints of this paper it was not possible to obtain and investigate these other important factors.

Therefore, the limitations of the indicators used must be addressed. High school graduation rates may overestimate the success of the education system because schools may graduate a student even though he/she has not mastered the material required because he/she is a difficult student or the teachers may be are pressured to do so by the administration, etc. Also, the fact that there is no universal standard for high school graduation means some schools may have very low requirements and graduate students that many Americans would say are not a

\textsuperscript{74} Data was only available for the years 1973, 1978, 1982, 1986, 1990, 1992, 1994, 1996, and 1999 for math and for the years 1975, 1980, 1984, 1988, 1990, 1992, 1994, 1996, and 1999 for reading. The regression analysis was conducted using interpolated values for the missing years. Using only the years for which there was data yielded very similar results.

\textsuperscript{75} Data was only available for the years 1975, 1980, 1985, 1990, 1995, 1996, 1997, 1998, 1999, and 2000. The regression analysis was conducted using interpolated values for the missing years. Using only the years for which there was data yielded very similar results.

\textsuperscript{76} The methodology used to collect and score all three education indicators has remained consistent over the twenty year time period being investigated.

\textsuperscript{77} Science achievement scores were also available, but had to be taken out of the analysis because science and math scores are correlated at more than 0.9, which would introduce a serious multi-collinearity problem into the analysis.
success of the education system. Despite these limitations, high school graduation rates are available, consistent and are, at least too some degree, a measure of educational success. Math and reading achievement scores on standardized tests may be mere measures of student performance on standardized tests. And thus, may not be the best the evaluation of what students are learning. Certainly, having a qualitative measure would be beneficial. However, it is commonplace to evaluate students’ knowledge by standardized tests. The State of California has recently implemented a statewide graduation exam to determine if students have learned what they should have. Also, NCLB legislation requires that Title 1 schools give their students standardized tests to demonstrate their ability or lack thereof (http://www.ed.gov/policy/elsec/leg April 19, 2004). Thus, up to this point standardized tests are the most universal and efficient means to measure to educational success. At the very least, the test results used in this analysis will show if the public primary and secondary education system is preparing students well for math and reading standardized tests. On the positive side, most people would agree that there are specific and necessary skills that everyone should have in math and reading, and thus standardized tests may be a good evaluative tool for math and reading skills.

There are three controls in the analysis of hypothesis one. The first is gross national product (GNP). As discussed earlier the economy can have an affect on public confidence in institutions. That is, when the economy is doing well, confidence in institutions tends to increase, but when the economy is doing poorly, confidence in institutions tends to decrease (Lipset and Schneider 1983). GNP is the most general indicator of economic conditions, and thus it should provide a good control for the economy in general. The second control is television news stories. Previous research indicates that the media can affect the information the public receives thereby affecting their opinions of and confidence in different institutions (Erikson and Tedin
Additionally, the television news has a tendency to report negative and controversial news (Lipset and Schneider 1983). Therefore, it is assumed that any news stories about education are news stories about how bad the system is doing78. The number of television news stories about education is counted for each year between 1977 and 2000 from the Vanderbilt News Archives to determine the amount of “bad press” education received in each year. The higher the number of news stories the lower confidence in education should be. Lastly, a composite measure of confidence in institutions is determined in order to control of the general trend of declining confidence in all institutions (Erikson and Tedin 2003; Jacobs and Shapiro 2000; Lane 1966; Lipset and Schneider 1983; Maas 1983; Miller 1974). All the institutions79 Gallup repeatedly asked about confidence in for the years 1980-2000 were factor analyzed80 to come up with an average confidence level indicator. The factor analysis produced one factor, which was then scored to determine the general confidence level for each year from 1980 to 2000. The level of general confidence in institutions variable created has a score from about –1.5 to 1.5 with negative values corresponding to declining confidence in institutions and positive values corresponding to increasing confidence in institutions.

Hypothesis 2:

Model 2:

\[ \text{perspent} = \beta_0 - \beta_2 \text{pubschconfidlag5} + \beta_4 \text{gnp} + \delta_1 \text{electyear} + \delta_2 \text{dempres} + \mu \]

The dependent variable is federal spending on primary and secondary public education.

Federal spending on primary and secondary public education was determined using the Office of Management and Budget’s outlays for the years 1977 to 2000. Only expenditures from the

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78 Alexander (1997) points to the fact that most good news about public schools is under-covered, and thus often goes unnoticed.
79 These institutions include Congress, the Church, big business, organized labor, and newspapers.
80 The factor analysis retained one factor that had an eigenvalue of 2.7923 with an alpha equal to 0.7771.
Office of Elementary and Secondary Education were used to calculate total federal spending on primary and secondary public education. Once total spending on primary and secondary public education was determined for each year, it was divided by the total budget outlay for the corresponding year and multiplied by 100 to obtain the percent of the budget spent on primary and secondary public education for each year between 1977 and 2000. In the end, the dependent variable is the percent the federal government\(^{81}\) spent on primary and secondary public education for each year from 1977 to 2000.

The main independent variable is public confidence in education. It is measured by the question in the Gallup/CNN/USA Today poll described in Hypothesis 1. Public confidence in education is lagged by two and five years\(^{82}\) to allow for the effects of the incremental policy cycle to become observable. Various controls were introduced that are thought to affect the budget for primary and secondary public education. GNP was again included in this analysis because economic conditions most definitely affect how much money is spent on primary and secondary public education. Next, a dummy variable for a Democratic president is included. This is because it has been shown that Democratic presidents tend to favor and pass policies that promote social welfare (Erikson and Tedin 2003), so it is expected that when a Democratic president is in office a higher percentage of the budget will be spent on education. Lastly, a dummy variable for a presidential election year is included. This is because many theories suggest that the government is more responsive in election years (Erikson and Tedin 2003; Jacobs and Shapiro 2000). Specifically, it is thought that responsiveness via increased federal

\(^{81}\) State and local government spending is not addressed because the goal of this analysis is to be an initial investigation of the bearing public opinion about public schools has on the largest form of government, the federal government. Follow-up analyses are definitely needed to determine if state and local governments are responsive in the same way the federal government is to public opinion about public schools. The exclusion of state and local government spending is justified as states and, certainly, localities are very diverse and may themselves respond very differently to public opinion, and therefore each warrant a highly in-depth analysis.

\(^{82}\) Public confidence in education was also lagged by one year and three years with no significant differences from the two year lag. Thus, the two year lag was included in the analysis as it seems to pickup the same effects as the one and three year lags.
education spending will rise in election years because government officials are trying to increase their popularity with the public.

Results

Model 1

Table 1 provides the mean, standard deviation, minimum and maximum for each variable in Model 1. Additionally, the trends in each variable for the years between 1980 and 2000 are displayed in Figures 1 through 5.

<table>
<thead>
<tr>
<th>Table 1. Summary of Model 1 Variables</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
<th>(N)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Great Deal of and Quite a Lot of Confidence in the Public Schools</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Great Deal of and Quite a Lot of Confidence in the Public Schools</td>
<td>42.524</td>
<td>4.771</td>
<td>34</td>
<td>51</td>
<td>21</td>
</tr>
<tr>
<td><strong>Reading Scores</strong></td>
<td>257.985</td>
<td>0.806</td>
<td>256.8</td>
<td>259.8</td>
<td>20*</td>
</tr>
<tr>
<td><strong>Reading Scores&lt;sub&gt;t-1&lt;/sub&gt;</strong></td>
<td>257.985</td>
<td>0.785</td>
<td>256.8</td>
<td>259.8</td>
<td>21</td>
</tr>
<tr>
<td><strong>Reading Scores&lt;sub&gt;t-2&lt;/sub&gt;</strong></td>
<td>257.892</td>
<td>0.722</td>
<td>256.8</td>
<td>259.8</td>
<td>21</td>
</tr>
<tr>
<td><strong>Math Scores</strong></td>
<td>271.234</td>
<td>2.936</td>
<td>266.35</td>
<td>275.8</td>
<td>20*</td>
</tr>
<tr>
<td><strong>Math Scores&lt;sub&gt;t-1&lt;/sub&gt;</strong></td>
<td>270.947</td>
<td>3.150</td>
<td>265.2</td>
<td>275.8</td>
<td>21</td>
</tr>
<tr>
<td><strong>Math Scores&lt;sub&gt;t-2&lt;/sub&gt;</strong></td>
<td>270.390</td>
<td>3.281</td>
<td>264.1</td>
<td>275.3</td>
<td>21</td>
</tr>
<tr>
<td><strong>High School Completion Rate (HS Rate)</strong></td>
<td>85.381</td>
<td>0.779</td>
<td>84</td>
<td>87</td>
<td>21</td>
</tr>
<tr>
<td><strong>HS Rate&lt;sub&gt;t-1&lt;/sub&gt;</strong></td>
<td>85.238</td>
<td>0.742</td>
<td>84</td>
<td>86.8</td>
<td>21</td>
</tr>
<tr>
<td><strong>HS Rate&lt;sub&gt;t-2&lt;/sub&gt;</strong></td>
<td>85.143</td>
<td>0.767</td>
<td>84</td>
<td>86.8</td>
<td>21</td>
</tr>
<tr>
<td><strong>GNP</strong></td>
<td>6055.791</td>
<td>2146.492</td>
<td>2945.4</td>
<td>10008.4</td>
<td>21</td>
</tr>
<tr>
<td><strong>General Confidence in Institutions</strong></td>
<td>-0.067</td>
<td>0.701</td>
<td>-1.387</td>
<td>1.458</td>
<td>21</td>
</tr>
<tr>
<td><strong>TV News Stories</strong></td>
<td>21.667</td>
<td>9.393</td>
<td>8</td>
<td>50</td>
<td>21</td>
</tr>
</tbody>
</table>

* Data only available from the years between 1977 and 1999
It is clear from Table 1 that there is variation from year to year in the level of public confidence in the public schools. However, what are of more concern are the actual trends in confidence and in all the variables, for that matter, and they are easily seen in Figures 1 through 5.
Figure 1 shows that the percent of respondents who have a great deal of or quite a lot of confidence in the public schools has been declining since 1980. In 1980, over half of the respondents reported a great deal of or quite a lot of confidence in the public schools, but in 2000 only about one-third did so. As confidence in the public schools declines the three educational success indicators increase. There is a markedly strong increase in math scores, which increases by almost ten points from 1980 to 2000. Reading scores do show a slight increase as well. And, the high school completion rate has been slowly, albeit steadily, rising. Thus, the trends in confidence in the public schools and indicators of public school success appear to be going in opposite directions (see Figure 7).

Table 2. Correlation Coefficients* for Model 1

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent and Control Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great Deal of and Quite a Lot of Confidence in the Public Schools</td>
<td>Reading Scores</td>
</tr>
<tr>
<td></td>
<td>Reading scores&lt;sub&gt;t-1&lt;/sub&gt;</td>
</tr>
<tr>
<td></td>
<td>Reading Scores&lt;sub&gt;t-2&lt;/sub&gt;</td>
</tr>
<tr>
<td></td>
<td>Math Scores</td>
</tr>
<tr>
<td></td>
<td>Math scores&lt;sub&gt;t-1&lt;/sub&gt;</td>
</tr>
<tr>
<td></td>
<td>Math scores&lt;sub&gt;t-2&lt;/sub&gt;</td>
</tr>
<tr>
<td></td>
<td>High School Completion Rate</td>
</tr>
<tr>
<td></td>
<td>High School Completion Rate&lt;sub&gt;t-1&lt;/sub&gt;</td>
</tr>
<tr>
<td></td>
<td>High School Completion Rate&lt;sub&gt;t-2&lt;/sub&gt;</td>
</tr>
<tr>
<td></td>
<td>GNP</td>
</tr>
<tr>
<td></td>
<td>General Confidence in Institutions</td>
</tr>
<tr>
<td></td>
<td>TV News Stories</td>
</tr>
<tr>
<td></td>
<td>(N)</td>
</tr>
</tbody>
</table>

*Due to missing data for math and reading scores the correlations are for the years 1980 to 1999

To further investigate the relationship between the trends in confidence in the public schools and public school success a series of correlations are presented. Table 2 displays some
interesting correlations between public school confidence and math and reading scores, as well as, the correlations between public school confidence and GNP, TV news stories about education and general confidence in institutions.

Public school confidence is highly correlated with math and reading achievement scores, specifically when each is lagged by one (math) and two (reading) years. But, the directions of the correlations are unexpected. The correlation between public school confidence and math is -0.652, and the correlation between public school confidence and reading lagged by two years is –0.744. The correlation between public school confidence and math remains fairly stable when one-year and two-year lags are put on it; the correlation becomes slightly weaker with each lag. The correlation between public school confidence and reading becomes stronger with each lag; the correlation without a lag is -0.390, with a one-year lag it becomes much stronger rising to -0.624 and then is strongest with a two-year lag (-0.744). There is, evidently, a negative relationship between public confidence in the public schools and math and reading achievement scores. Figure 7 below displays this perplexing relationship.
The correlation between public school confidence and high school completion rate is fairly small, -0.216, without any lag, then, becomes weakest with a one-year lag, and strongest with a two-year lag, but even then is only –0.286. The correlation between public school confidence and GNP is quite high, but is again in an unexpected direction, it is –0.570. These correlations seem to say that as math scores, reading scores, high school completion rates, and GNP increase public confidence in the public schools decreases. There appears to be no relationship between public school confidence and media, as the correlation is only –0.194, but this correlation is, at least, in the predicted direction. Public school confidence and general confidence in institutions is highly positively correlated with a coefficient of 0.614. This suggests that as confidence in institutions increases confidence in the public schools will also increases\(^{83}\). To further explore these puzzling relationships a regression analysis was conducted.

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\(^{83}\) It should be noted that none of these correlations coefficients are large enough to introduce a collinearity problem in the analyses that follow.
Table 3 displays the results of the OLS regressions for Model 1a. Model 1a emerges as the best predictor of public school confidence because it has the highest R² and is the only model with a statistically significant predictor. Additionally, the Prais-Winsten (PW) estimation that corrects for serial correlation only does so for Model 1a. Models 1b and 1c still suffer from serial correlation after the PW adjustments are made. Using the Durbin-Watson test for serial correlation confirms that serial correlation is present in OLS estimations of all three models. The d statistic needed to fail to reject the null hypothesis of no serial correlation must be between the upper bounds at the 1% significance levels, which are 1.941 and 2.059 (Savin and White 1977). However, all three d statistics are outside of this range, and in between the upper and lower bounds (the lower bounds are 0.474 and 3.521), which means the tests are inconclusive. When PW estimation was used to correct the possibility of serial correlation only the d statistic in Model 1a increased enough to put it within the upper bounds and allow for the conclusion of no serial correlation. Models 1b and 1c may suffer from higher-order serial correlation. Because

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Model 1a (OLS)</th>
<th>Model 1a (PW)</th>
<th>Model 1b (OLS)</th>
<th>Model 1b (PW)</th>
<th>Model 1c (OLS)</th>
<th>Model 1c (PW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reading Scores</td>
<td>0.880 (1.485)</td>
<td>0.873 (1.528)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reading Scores_{t-1}</td>
<td>-1.713 (1.285)</td>
<td>-1.659 (1.301)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reading Scores_{t-2}</td>
<td>-4.206*** (1.065)</td>
<td>3.984*** (0.789)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Math Scores</td>
<td>-2.350 (2.308)</td>
<td>-2.581 (2.568)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Math Scores_{t-1}</td>
<td>-0.914 (1.333)</td>
<td>-0.961 (1.359)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

84 Model 1a, specified above, uses reading and math scores lagged by two years, and the years included are 1980 to 2000. Model 1b uses reading and math scores lagged by one year, and the years included are 1980 to 2000. Model 1c uses reading and math scores without any lag, and the years included are 1980 to 1999. There is only data for the education indicator variables from 1977 to 1999, which explains the variations in years included.
Math scores_{t-2} & 0.790 & 1.137 \\
 & (0.814) & (0.536) \\
High School Completion Rate & & 1.004 & 0.618 \\
 & & (2.308) & (2.308) \\
High School Completion Rate_{t-1} & 2.098 & 2.168 \\
 & (1.754) & (1.765) \\
High School Completion Rate_{t-2} & 0.110 & 0.648 \\
 & (1.220) & (0.941) \\
GNP & -0.002 & -0.002** & 0.0001 & 0.0001 & 0.002 & 0.002 \\
 & (0.001) & (0.0008) & (0.002) & (0.002) & (0.004) & (0.004) \\
General Confidence in Institutions & 2.368 & 2.351** & 1.947 & 1.966 & 1.138 & 0.953 \\
 & (1.154) & (0.875) & (1.751) & (1.768) & (2.793) & (2.746) \\
TV News Stories & 0.018 & -0.023 & 0.050 & 0.056 & 0.022 & 0.033 \\
 & (0.067) & (0.058) & (0.091) & (0.089) & (0.111) & (0.106) \\
 & (367.984) & (284.190) & (589.762) & (592.825) & (921.397) & (914.560) \\
R^2 & 0.785 & 0.922 & 0.660 & 0.658 & 0.521 & 0.577 \\
Adjusted R^2 & 0.693 & 0.888 & 0.515 & 0.537 & 0.301 & 0.382 \\
Durbin-Watson Statistic (d) & 2.546^b & 1.961^a & 1.829^b & 1.892^b & 1.765^b & 1.838^b \\
N & 21 & 21 & 21 & 21 & 20^c & 21 \\

**p<.01 (two-tailed), ***p<.001 (two-tailed)

^a Not significant at 1% level, no serial correlation

^b Test inconclusive, d is between the lower and upper bounds

^c Missing data for the year 2000 for math and reading scores

Standard errors reported in parentheses

The PW estimation of Model 1a is the only model that does not suffer from serial correlation it is the only model that will be discussed in greater detail.

In Model 1a (PW) the relationship between reading achievement scores and public school confidence is highly significant at the .001 level. The coefficient of –3.984 on reading lagged by two years means that a one point increase in the average reading achievement score of thirteen
year olds is predicted to decrease public confidence in the public schools by about four percentage points. Although, none of the other education indicator coefficients are statistically significant some further interpretation of them is quite interesting. The coefficients on both math scores lagged by two years and high school completion rates lagged by two years are positive. Indicating, more logically, that as math scores and the high school completion rate increase public confidence in the public schools also increases. For a one point increase on the average math achievement score of thirteen year olds the percent of the public who have a great deal of or quite a lot of confidence in the public schools is predicted to increase by just over one percent. Though, this increase is not very much it is what should happen if the public rationally determines their level of confidence in the public schools. Additionally, math scores did steadily increase over the twenty period more so then reading scores, and therefore perhaps if that trend continues math scores will have a stronger influence on public confidence in the public schools. The coefficient on high school completion rate is positive, but it is very small (a one percent increase in the high school completion rate is only predicted to increase the percent of the public who have a great deal of or quite a lot of confidence in the public schools by one-half of a percentage point).

Another unpredicted significant relationship is that between public confidence in the public schools and GNP. The coefficient on GNP predicts a trivial decrease in the percent of the public who have a great deal of or quite a lot of confidence in the public schools when GNP increases by one billion dollars, but it is negative and statistically significant at the .05 level. As GNP increases public confidence in the public schools is predicted to decrease, which is converse to the relationship found by Lipset and Schneider (1983) where a better economy produced higher confidence levels in institutions. Perhaps, there is something else going on
here and more specific economic measures should be used to untangle the relationship. The coefficient on general confidence in institutions is positive and significant, which means that as confidence in institutions increases confidence in the public schools is predicted to increase as well, which makes perfect sense. The coefficient on TV news stories very small, one additional television story about education is predicted to decrease public confidence by only two-hundredths of a percentage point. However, this relationship is in the predicted direction and indicates that any news is bad news in the education arena. The $R^2$ in Model 1a (PW) very high; it is 0.922 and only decreases to 0.888 when it is adjusted for the number of explanatory variables. However, it is unclear exactly how to interpret $R^2$ in PW estimations. Therefore, the more it makes more sense to discuss the $R^2$ from the OLS estimation. The $R^2$ in the OLS Model 1a is still quite high; it is 0.785 and only decreases to 0.693 when it is adjusted for the number of explanatory variables.

In conclusion, Model 1a indicates that, to be conservative, about 70% of the variance in public confidence in the public schools can be explained by the reading and math achievement scores and the high school completion rate from two years prior, GNP, the number of television news stories about education and general confidence in institutions. Specifically, rising reading achievement scores appear to decrease public confidence in the public schools. This is the opposite effect than was expected. It points to the notion that as the public schools are producing better students, at least better readers, the public actually loses confidence in them. This does not make logical sense, and may mean a few different things. One could be that to begin with the public does not believe think reading scores are anywhere near as high as they should be, and therefore no matter how much they increase confidence in the public schools will not begin to increase until the reading scores reach a “good” level in the eyes of the public. Another,
explanation is that the public does not base their confidence level in the public schools on reading scores, but instead on another indicator that may not be increasing such as the juvenile crime rate or the high school dropout rate. Whatever the reason is it still does not make sense that as public schools are producing better readers the public is losing confidence in them.

Model 2

Now that some of the reasons behind the decline in public confidence in public schools have been identified, the effect of the decline on federal education spending is investigated. Table 4 summarizes the mean, standard deviation, minimum and maximum for all the variables in Model 2. Additionally, the trends in each variable from 1980 to 2000 can be seen in Figures 1, 3, and 6 (see pages 23–24).

<table>
<thead>
<tr>
<th>Percent of Budget Spent on Primary and Secondary Public Education</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
<th>(N)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Confidence in Public Schools</td>
<td>42.524</td>
<td>4.771</td>
<td>34</td>
<td>51</td>
<td>21</td>
</tr>
<tr>
<td>Public Confidence in Public Schools, t-2</td>
<td>43.714</td>
<td>4.838</td>
<td>34</td>
<td>53</td>
<td>21</td>
</tr>
<tr>
<td>Public Confidence in Public Schools, t-5</td>
<td>46.191</td>
<td>6.66</td>
<td>34</td>
<td>62</td>
<td>21</td>
</tr>
<tr>
<td>GNP</td>
<td>6055.791</td>
<td>2146.492</td>
<td>2945.4</td>
<td>10008.4</td>
<td>21</td>
</tr>
<tr>
<td>Election Year</td>
<td>0.286</td>
<td>0.423</td>
<td>0</td>
<td>1</td>
<td>21</td>
</tr>
<tr>
<td>Democratic President</td>
<td>0.429</td>
<td>0.507</td>
<td>0</td>
<td>1</td>
<td>21</td>
</tr>
</tbody>
</table>
Clearly, not a very large percent of the federal budget is spent on K-12 public schools; at its maximum a mere 0.8% is spent. The percent of the budget spent on K-12 public schools also did not vary too much between the years 1980 and 2000. It did see some fluctuation as evidenced in Figure 6, specifically it decreased in the early 1980s and then slowly increased from then on, but, as of 2000, never reached the high in 1980 of 0.801%. The other piece of new information displayed in Table 4 is that from the period between 1980 and 2000 there were more Republican presidents than Democratic presidents.

The correlations, presented in Table 5, between the percent of the budget spent on K-12 public education and confidence in public schools, GNP, election year and Democratic president do not show many very strong relationships.

<table>
<thead>
<tr>
<th>Table 5. Correlation Coefficients for Model 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent and Control Variables</td>
</tr>
<tr>
<td>--------------------------------------</td>
</tr>
<tr>
<td>Public Confidence in Public Schools</td>
</tr>
<tr>
<td>Public Confidence in Public Schools&lt;sub&gt;t-2&lt;/sub&gt;</td>
</tr>
<tr>
<td>Public Confidence in Public Schools&lt;sub&gt;t-5&lt;/sub&gt;</td>
</tr>
<tr>
<td>GNP</td>
</tr>
<tr>
<td>Election Year</td>
</tr>
<tr>
<td>Democratic President</td>
</tr>
<tr>
<td>(N)</td>
</tr>
</tbody>
</table>
The correlations between percent spent on K-12 public schools and public confidence in the public schools with no lag and a two-year lag are in the predicted directions; they are negative. This suggests that as public confidence in public schools decreases the percent spent on K-12 public schools will increase. However, the strongest correlation is between percent spent on K-12 public schools and public confidence in the public schools lagged by five years, and this correlation coefficient is positive. Therefore, the percent spent on K-12 public schools is positively correlated with the public confidence in the public schools five years before. This correlation indicates that it takes an extensive amount of time for public confidence about public schools to reach and be dealt with by politicians. Although, five years may seem like a long time the policy cycle is slow and public confidence about public schools does not directly indicate what the public believes government should do. Thus, it may take the government longer because they need to find out about public confidence and then come to a decision on how to respond. Figure 8 displays this relationship because it is the strongest one between the two variables of most concern, percent spent on K-12 public schools and public confidence in the public schools. GNP and election year both show weak positive correlations with percent spent on K-12 public schools, about 0.26 and 0.24 respectively. Democratic president has a fairly high correlation with percent spent on K-12 public schools of about 0.63. This means that when there is a Democratic president in office the percent spent on K-12 public schools increases85.

In the OLS regression analysis the only model that produces a statistically significant estimate of the effect of public confidence in public schools on the percent of the budget spent on K-12 public schools is Model 2a, where public confidence in public schools is lagged by five years (see Table 6). Because of this the results of Model 2a will be reported and discussed. In

85It should be noted that none of these correlations coefficients are large enough to introduce a collinearity problem in the analyses that follow
Model 2a public confidence in public schools lagged by five years and Democratic president\(^{86}\) are both moderately statistically significant at the .01 level. However, the OLS estimation of

Model 2a may suffer from the problem of serial correlation. The d statistic is 1.084, which is between the lower and upper bounds of 0.633 and 1.712 at the 1% significance level (Savin and White\(^{1977}\)). Therefore, it is uncertain if serial correlation is present. For this reason a Prais-Winsten (PW) estimation is conducted to correct for serial correlation if it is present\(^{87}\).

The OLS and PW estimations of Model 2a do not differ much. Public confidence in public schools lagged by five years is a still statistically significant predictor of the percent of the budget spent on K-12 public schools. However, all of the coefficients (except GNP which remains constant and trivially small) decrease, which suggests that the OLS regression was over-estimating the effects of each explanatory variable. The fact that public confidence in the public schools remains statistically significant at the same level in PW estimate indicates that the

\(^{86}\) The only variable statistically significant in all models.

\(^{87}\) Although, the d statistic in the PW model still is between the lower and the upper bound for 1% significance, and a possible serial correlation problem cannot be completely dismissed, the d statistic does come much closer to the upper bound of 1.712 (Savin and White 1977). At the least the PW estimation is a better than the OLS estimation.
Table 6. Percent of the Federal Budget Spent on Public Schools
OLS and Prais-Winsten (PW) Regression

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Model 1a (OLS)</th>
<th>Model 1a (PW)</th>
<th>Model 1b (OLS)</th>
<th>Model 1b (PW)</th>
<th>Model 1c (OLS)</th>
<th>Model 1c (PW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Confidence in Public Schools</td>
<td>-0.001</td>
<td>(0.004)</td>
<td>0.0004</td>
<td>(0.004)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Confidence in Public Schools$_t$</td>
<td>0.006</td>
<td>(.004)</td>
<td>0.004</td>
<td>(0.004)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GNP</td>
<td>0.00001</td>
<td>(0.00001)</td>
<td>-0.000008</td>
<td>(0.00001)</td>
<td>-0.000004</td>
<td>(0.00001)</td>
</tr>
<tr>
<td>Election Year</td>
<td>0.009</td>
<td>(0.028)</td>
<td>0.006</td>
<td>(0.020)</td>
<td>0.038</td>
<td>(0.033)</td>
</tr>
<tr>
<td>Democratic President</td>
<td>0.108**</td>
<td>(0.036)</td>
<td>0.090</td>
<td>(0.036)</td>
<td>0.162**</td>
<td>(0.043)</td>
</tr>
<tr>
<td>Intercept</td>
<td>0.017</td>
<td>(0.036)</td>
<td>0.86</td>
<td>(0.036)</td>
<td>0.315</td>
<td>(0.043)</td>
</tr>
<tr>
<td>$R^2$</td>
<td>0.698</td>
<td>0.826</td>
<td>0.541</td>
<td>0.719</td>
<td>0.483</td>
<td>0.712</td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>0.623</td>
<td>0.779</td>
<td>0.427</td>
<td>0.649</td>
<td>0.354</td>
<td>0.639</td>
</tr>
<tr>
<td>Durbin-Watson Statistic (d)</td>
<td>1.084$^b$</td>
<td>1.527$^b$</td>
<td>1.227$^b$</td>
<td>1.582$^b$</td>
<td>1.066$^b$</td>
<td>1.429$^b$</td>
</tr>
<tr>
<td>N</td>
<td>21</td>
<td>21</td>
<td>21</td>
<td>21</td>
<td>21</td>
<td>21</td>
</tr>
</tbody>
</table>

*p< .05 (two-tailed), **p<.01 (two-tailed), ***p<.001 (two-tailed)

$^b$ Test inconclusive, d is between the lower and upper bounds at 1% level

Standard errors reported in parentheses

The relationship is robust; public confidence in public schools has a significant positive effect on the percent of the budget spent on K-12 public schools.
The coefficient on public confidence in public schools is positive, which means that as public confidence in public schools increases so does the percent of the budget spent on K-12 public schools. This relationship is not in the predicted direction, but is still very fascinating. The coefficient on public confidence in public schools in the PW estimation is .008, meaning that if the percent of individuals who say they have a great deal of or quite a lot of confidence in public schools increases by one percentage point in, say for example, 1990 it is predicted to increase the percent of the 1995 budget spent on K-12 public schools by 0.008 percent. This may not seem like much, but it corresponds to an increase of about 73 million 1995 dollars. The total spent on K-12 public schools in 1995 was approximately 9 billion dollars, which is only about 0.6 % of the total budget for 1995. Although, clearly 73 million dollars not very much when talking of the United States federal budget, which was over 1.5 trillion dollars in 1995, I do think that to the 73 public schools that would receive an additional 1 million dollars it would mean quite a bit. That is, only a one-percentage point increase in public confidence in public schools may have a substantial amount of practical significance for many public school districts.

The practical significance of a Democratic president being in office is much more than that for public confidence in public schools. The coefficient on Democratic president, which is statistically significant at the .01 level like public confidence in public schools, suggests when a Democratic president is in office about 823 million more dollars is spent on K-12 public schools. This increase is definitely of practical significance for public schools; over 800 public schools could receive an additional 1 million dollars of federal funding when the president is a democrat. The other two coefficients in the PW estimation of Model 2a are positive. The coefficient on GNP, which is very small, but is positive, indicates that, as was predicted, when
the economy increases the percent spent on K-12 public schools also increases. The coefficient on election year predicts that in an election year more is spent on K-12 public schools.

Discussion

The results from Model 1a provide some interesting, but perplexing insight into what affects public confidence in the public schools. Certainly, the direction of the reading scores and public confidence in the public schools relationship is most puzzling. Reading achievement scores are highly significant negative predictors of public confidence in the public schools. That is, as reading test scores go up public confidence in the public schools goes down. At first glance, this finding does not make any logical or rational sense. However, it could mean a few different things. One explanation that has been used to explain the drastic and constant decline in confidence in all institutions since the mid-1960s may be applicable to the public schools, as well. This explanation says it is the rising expectations of the public that are lowering confidence levels. The public will often see the not yet accomplished improvements that can be made regardless of what current improvements have been made. Many theorists have posited that the more prosperous times of the 1950s and early 1960s along with bigger government led the public to hold the government and institutions to high standards and expect that the government and other institutions can solve most problems (Lipset and Schneider 1983).

Sherman Dorn (1996) applies this rising expectations explanation to the “social problem” of the dropout. Dorn (1996) suggests that the great success high schools had in the first half of the twentieth century in graduating students are the same grounds for which they are now criticized. The better high schools performed in the past the higher the standards are for performance today. That is, there is no ceiling on high school or institutional, for that matter, success; the sky is the limit. However, the incessant growing expectations of the American
public may be putting too much pressure on institutions and their apparent deficiencies. Perhaps, public attention and concern would more beneficial if it were directed “real” problems and deficiencies.

The problem now becomes, what is a “real” problem or institutional deficiency? Unfortunately, the term “real” is subjective and varies with time. What constitutes a “real” problem may be very different for a single African-American mother living in the Bronx, NY than for a White suburban housewife living in Greenwich, CT, which may be different for Senator Hillary Clinton. The social construction of most social problems is very problematic when evaluating the public’s policy opinions and preferences. Specifically, the way in which problems become recognized, visible, and urgent have serious implications for the alleged problem’s authenticity (Dorn 1996). Stephen Hilgartner and Charles L. Bosk (1988) provided some insight into misleading ways social problems are created and maintained by stating, “…professionals, activists, and interest groups, work to keep these problems alive on the margins of public debate” (57). It is important to understand in whose self-interest it is for certain social problems to exist and be kept on the agenda.

This leads to a complimentary explanation about the decreasing confidence in public schools trend. Merely being on the agenda can lead the public to believe there is a problem (Dorn 1996). The old saying, “any news is bad news” may apply here. When the state of the public education system is brought to the public’s attention it may automatically invoke a loss of confidence in it. We do not talk about and report on institutions whose performance is stable through time. The bias of the media to report negative and controversial stories (Lipset and Schneider 1983) may play a key role in consistently tipping the scale of perception to the negative side. That is, the media and other information sources are often maintaining, if not
creating, false social problems. In the OLS regression of Model 1a television news stories did have a very small, yet positive coefficient. However, this may be due to the crude nature of the variable. A mere count of the number of television stories about education was used to determine this variable. A content analysis of the stories as well as the addition of more media sources would make the results found in this paper more valid. Therefore, the positive effect of television news stories on public confidence in public schools found in this analysis should not be taken too seriously and the possibility that the media has a negative effect on confidence in public schools should be upheld.

The notion that public schools are not performing up to historical standards, measured by math and reading achievement scores and high school graduation rates is false. Math and reading scores have been on the rise, as have high school completion rates, but not at a very fast pace. Average math scores increased from 268.6 in 1982 to 275.8 in 1999, only a 7.2-point increase. Reading scores increased only slightly from 1980 to 1999, going from 258.5 to 259.4, respectively. High school completion rates improved from 84% in 1980 to 87% in 2000. Thus, the public school system is improving in terms of average test scores rising and a larger proportion of high school graduates. Yet, the improvements are gradual and minor, which make them unnoticeable to the public. Not only are the changes imperceptible, but also the public may be expecting much larger improvements in the education system. With the extraordinary technological advances of the last two decades, and increased globalization, it may be all the more important to the public for the American public school system to be producing larger numbers of “smarter” students. Thus, unmet requirements and rising expectations imposed by the public may account for declining confidence in a stable and slowly improving public education system.
A better understanding of what drives public confidence in the public schools is essential based on the results in Model 2a. This model says, consistent with previous literature, the government via spending is responsive to the public. When confidence in the public schools is lagged by five years, to allow for the incremental policy cycle to run its course, it is a significant predictor of the percent of the budget spent on primary and secondary education. The coefficient on public confidence in public schools is small, 0.008. However, to keep things in perspective the average percent spent on primary and secondary education of the total budget is only 0.652%. Similar to the unexpected direction of the relationship between reading achievement scores and public confidence in the public schools is the relationship between percent spent on K-12 public schools and public confidence in the public schools. It was hypothesized, based on theories of responsiveness, previous empirical research, and logic that there would be a negative relationship between percent spent on K-12 public schools and public confidence in the public schools, but a significant positive relationship emerged. The regression analysis suggests that as public confidence in the public schools increases so will the percent spent on K-12 public schools. This result is perplexing as it is not logical for the government to increase spending on an institution the public has increasing confidence in. Evidently, the notion that government tries to restore confidence in public schools by increasing the funding to them is incorrect. Instead, what appears to happen is that favorable opinions, increased confidence, leads to increased spending. This may be occurring because of the restricted range in which confidence in public schools falls within. Because between 1980 and 2000 at least one-third of the public always had a great deal of or quite a lot of confidence in public schools there may not be, according to government standards, a significant percent of the population with little confidence in public schools. Perhaps, there is some minimum threshold confidence in public schools must hit before
politicians see it as problematic and try to increase it. An investigation of public confidence in public schools in conjunction with public opinion about federal spending on public schools may shed some light on the puzzling relationship found in this analysis. At this point, the results do demonstrate some form of government responsiveness to declining confidence in public schools. But the reasoning behind the relationship between confidence in the public schools and percent of the budget spent on K-12 public education is still unclear. Thus, this relationship warrants further investigation.

Conclusion

The results of both regression analyses proved revealing, but bewildering. Neither of the hypotheses were supported. Public confidence in the public schools is not necessarily affected by the public school system itself. This finding provides the basis for a slue of questions such as what are the public’s expectations of the public schools, what are the standards by which public schools are evaluated by the public, what are other the educational outcomes the public is exposed to, what is the content of news stories on public education, what are the trends in educational outcomes in other countries, etc. There is much further investigation to be done in order to discover why public confidence in the public schools has been on the decline for the last twenty years when the public school system is producing more positive outcomes.

Increased expectations and media (other than television) coverage may be influencing public confidence in the public schools. This analysis showed that clearly something is going on between indicators of educational success and confidence in the public education system. A future analysis that delves deeper into public expectations, economic conditions, and media coverage would most likely more concretely explain the interesting relationship demonstrated in this analysis between public confidence in the public schools and the actual outputs of the public.
education system. It is important to understand what drives public confidence in public schools not only because it is interesting itself, but also because public confidence in public schools may influence how much money the federal government spends on K-12 public schools.

It was found that when public confidence increases five years later the federal government significantly increases its funding to K-12 public schools. Thus, public confidence in public schools appears to generate increased revenue for public schools from the federal government. This result is convincing in terms of governmental responsiveness to public opinion. However, further research about responsiveness to the constant decline of confidence in public schools is needed. There is clearly a relationship, but the causal mechanism behind it is not yet clearly explained.

Politicians and citizens alike think of quality public education as a right in the United States today. Local control of the public education system is also highly valued. This makes the public education system one of the most interactive, participatory, necessary and valued institutions in America. The declining confidence in the education system is problematic for all Americans. According to the analyses in this paper, declining confidence leads declining federal spending. Quality public education is needed and belief in the system is crucial for its success. Holding other factors constant, if confidence in public schools continues to decline federal spending on K-12 public schools will also decline. Our children and our country cannot afford for the institution that provides the basis for socialization, assimilation, and advancement of American society to deteriorate anymore. Understanding what the driving forces behind declining public confidence in public schools could provide a means for increasing confidence, and therefore increasing federal spending on public schools, which would be most beneficial. Therefore, further investigation of confidence in public schools is called for, because the level of
the confidence the public has in public schools may have serious implications on federal public school spending policy.
References


Vanderbilt Television News Archives.


Paper Presenter

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Public-Private Partnerships, A Necessary Commitment to Attain the Right of all People to Education

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Columbia University
Abstract
The increasing importance of education in developing countries requires more flexible and complementary approaches to the provision and accessibility to public education. Public-private partnerships constitute an alternative mechanism to do this, as they can trigger off major reforms and innovations, and stimulate collaboration between the different sectors of society.

Objective
To present an alternative approach to increase school enrollment rate of low-income students in Latin America, through the enhancement of Public-Private Partnerships (PPPs) in which the different sectors of society participate in an equitable manner.

Methodology
Throughout this paper we will develop a theoretical framework with the assistance of micro-economic maximization tools to show how the enhancement of PPPs stimulates low-income family’s investment in human capital and increases school enrollment rates.

To support our model, we analyze some social development initiatives that have partially succeeded in Mexico and the Dominican Republic, where either the Private or Public Sector, but not both, has collaborated with civil society organizations to provide complementary services to education.

Summary
Within the large set of priorities that were established in the World Conference on Education for All (EFA) and the United Nations Millennium Development Goals (MDGs), developing countries committed to multiple tasks in education for the year 2015, including:
universal access to basic education, child and adolescent development, teachers training, more and alternative resources and the collaboration between the Public and Private Sectors.

To assess the state of education in Latin America, we analyzed figures of quality and quantity of education. We observed significant differences within the region, a dramatic drop-out especially at secondary level and a very limited participation of the Private Sector.

With the aim to develop a model that considers the effect of such alliances while addressing this global challenge, we grouped the different agents of society into two sectors: Public and Private; identified their roles and relationships; and defined three kinds of entities that provide complementary services to education: Public-Private Partnerships (PPPs), Governmental Organizations that offer community services with the support of civil society (GOs), and Non-Governmental Organizations that supply public goods with private funding (NGOs).

Later on, using a Cobb-Douglas utility function, we represent the preferences of an average low-income family when confronted by the decision of registering their children in school or in the labor market, in order to show how the enhancement of PPPs stimulates investment in human capital.

In developing our model, we take into consideration the strengths and weaknesses of some macro and micro-level initiatives implemented in Mexico and the Dominican Republic: “Programa Oportunidades” and EDUCA, and “Fondos para el Desarrollo de Innovaciones Educativas” and DREAM Project, respectively.
Introduction

Despite significant advances attained by governmental and non-governmental organizations in past decades in education and social development, there are millions of children in school age that still grow without accessing to basic education services.

As declared in the 1990 World Conference on “Education for All”, and reiterated in the United Nations Millennium Declaration, Education is a human right and a development goal that must be attended by every sector of society.

In trying to do so, during the EFA Regional Conference for the Americas that was held in the Dominican Republic in 2000, member countries agreed, among other commitments, to:89

- **Early childhood care and education**: Increase investment in and access to comprehensive and quality early childhood development programs for children, particularly in less-advantaged communities.
- **Basic education**: Maintain and increase access to basic education, identify excluded sectors of society, and prioritize strategies to decrease repetition and drop-out rates.
- **Learning needs of young people and adults**: Incorporate education of young people and adults into national systems, diversify education programs, and stimulate greater participation of society in the formulation of public policies.
- **Achievements and quality of education**: Reform curricula by including skills and values that encourage families to keep their children in school, recognize diversity of students and value of teachers, and provide materials and technology.
- **National investment in education**: Distribute effectively resources at all levels, focus strategies to optimize expenditures, establish mechanisms to integrate budgets, and promote alternative funding.
- **Professional enhancement of teachers**: Offer teachers quality training, establish career policies, provide incentives for people to enter this profession, and measure performance.
- **Utilization of technologies in education**: Take advantage of information and communication, interchange experiences, and facilitate decentralization.
- **Education for life**: Guarantee practice of life skills and democratic values, establish curricular norms that integrate schools with the community, train parents to support learning, measure social impact, and stimulate external activities.

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- **Inclusive education**: Formulate policies with particular goals and priorities within and across countries, establish institutional frameworks that involve families and communities. **Management of education**: Define administrative structures that consider the school as the basic unit, promote regional strategies to train teachers, and develop systems for collecting and analyzing information to improve decision-making.

- **Linking of basic education to strategies for overcoming poverty and inequality**: Assemble social policies to strengthen education and employment, convert assistance practices into actions, promote solidarity and equitable distribution of resources.

- **New opportunities for participation of the community and the society**: Develop institutional mechanisms that encourage participation of the different sectors of society in the elaboration and assessment of education policies and national plans.

In the same way, the United Nations Millennium Development Project – a global initiative that compiles the best practices and strategies that have been designed to fight poverty and improve living conditions of low-income families - establishes explicit goals to be achieved by the year 2015, identify deficiencies and constraints, and determines the following interventions:\[90\]

- **Cost reduction**: Adopt low budget practices, introduce contracted teachers, use low-cost construction methods, reduce class size, and guarantee access to free primary education.

- **Focus on teaching and learning**: Train teachers for active learning instruction, design good quality curricula, and implement performance incentives for teachers.

- **Inclusion of the private sector**: Encourage the private sector to provide education to the highest 10% of income distribution.

- **Care of equity**: Equitable distribute resources, monitor, support and strengthen the most needed areas.

- **Increase access**: Improve schools health programs, eliminate fees, develop school feeding programs and increase security to reduce gender disparity.

- **Improve education opportunities to women**: It has been demonstrated that the child of a mother with no education has less likelihood of attending school.

- **Increase enrollment to post primary education**: Implement strategies that seek to reduce the opportunity cost for attending secondary education and decrease the drop-out rate in primary level.

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\[90\] The Millennium Development Goals are:

1) Eradicate extreme poverty and hunger by halving the portion of people whose income is less than US$1 a day and who suffer from hunger;

2) Achieve universal primary education by ensuring that in the year 2015 children everywhere will be able to complete a full course of primary schooling;

3) Promote gender equality and empower women by eliminating sex disparity in all levels of education;

4) Reduce under-five child mortality by two-thirds;

5) Improve maternal health by reducing mortality ratio by three-quarters;

6) Combat HIV/AIDS, malaria, and other diseases by halving current figures and reversing their spread and incidence;

7) Ensure environmental sustainability by integrating sustainable development principles into country policies; and

8) Develop a global partnership for development by strengthening financial systems, opening trade, alleviating debt burdens, addressing needs of landlocked economies, implementing strategies for productive work for youth, providing access to essential drugs, and by making available the benefits of information technologies.

Politics and Education Graduate Student Journal, Vol. 1, No. 1, 2005
Teachers College, Columbia University
- **Increase parental and civil society participation**: Incorporate parents in the education monitoring process, and promote the involvement of the civil society to enhance community participation, empowerment and literacy.

**Quantity & Quality of Education**

In order to dimension the social and educational challenges in Latin America, we need to differentiate and analyze two specific features: quantity and quality. To do so, we looked at a research that was conducted by Professor Urquiola from Columbia University and Valentina Calderón from the Inter-American Development Bank, in which they compare enrollment and educational attainment in a sample of 21 countries in the region\(^9\). To measure quantity, the authors analyze enrollment rates at different age periods, corresponding to the education levels in formal instruction. If analyzing these rates by age, we would observe that starting at 12 onwards the enrollment rates decline steadily as the opportunity cost of studying rises; at that age, youngsters face the perverse and in some cases unavoidable incentive of entering the labor market.

**Table 1: Quantity of Education in Latin America: Enrollment Rates.**

<table>
<thead>
<tr>
<th>Country</th>
<th>Rate</th>
<th>Country</th>
<th>Rate</th>
<th>Country</th>
<th>Rate</th>
<th>Country</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chile</td>
<td>93.1</td>
<td>Jamaica</td>
<td>100.0</td>
<td>Chile</td>
<td>99.4</td>
<td>Dom.Rep.</td>
<td>86.1</td>
</tr>
<tr>
<td>Dom.Rep.</td>
<td>91.4</td>
<td>Peru</td>
<td>95.5</td>
<td>Dom.Rep.</td>
<td>98.9</td>
<td>Dom.Rep.</td>
<td>82.7</td>
</tr>
<tr>
<td>Jamaica</td>
<td>89.3</td>
<td>Mexico</td>
<td>95.1</td>
<td>Belize</td>
<td>97.8</td>
<td>Chile</td>
<td>77.1</td>
</tr>
<tr>
<td>Panama</td>
<td>88.9</td>
<td>Panama</td>
<td>94.9</td>
<td>Dom.Rep.</td>
<td>97.8</td>
<td>Bolivia</td>
<td>74.7</td>
</tr>
<tr>
<td>Brazil</td>
<td>87.8</td>
<td>Belize</td>
<td>94.4</td>
<td>Panama</td>
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To measure quality\textsuperscript{92}, the authors use a comparison between the number of years spent in school to the number of grades completed and computed an “Effectiveness Gap” ratio.

Table 2: Quality of Education in Latin America: Effectiveness Gap\textsuperscript{93}.

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Source: Urquiola and Calderon, 2004

Looking at both indicators simultaneously allowed us to select two sample countries in which we will analyze some macro and micro development initiatives. The Dominican Republic, on one side, as it seems to have performed very well in terms of enrollment, but extremely poor when it comes to effectiveness; and Mexico, on the other, as it has performed well in terms of effectiveness, but almost as bad as Honduras and Guatemala in terms of enrollment. Higher enrollment rates do not necessarily imply higher effectiveness figures, nor vice versa.

Public-Private Partnerships that Provide Complementary Services to Education

With the aim to understand the different relationships between the Public and the Private Sector in the provision of public goods and services that are complementary to education, and

\textsuperscript{92} There are other methodologies that have been used to measure quality of education across countries, like PISA and TIMSS; nevertheless, none of them encompasses a significant number of Latin American countries.

\textsuperscript{93} Effectiveness Gap = (average years in school – avg. yrs. of schooling) – (avg. yrs. in school at age 6 – avg. yrs. of schooling at age 6).
subsequently to analyze some cases in which either sector, not both, has collaborated with civil society organizations in the sample countries selected.

Diagram 1: Inter-Sector Relationships

A. Governmental Organizations that provide community services with the assistance of the civil society and members of the community (GOs).

B. Non-Governmental Organizations that supply community services with the support of private contributions (NGOs).

C. Public Private Partnerships that offer other public goods and services (PPPs).

**Governmental Organizations (GOs)**

Term used to describe public entities that have the responsibility of providing social development goods and services at a national or regional level and that incorporate the support of civil society organizations and members of the community in their activities.

Although this category encompasses a variety of organizations and social assistance programs that address multiple needs that were not evaluated in our paper⁹⁴; by analyzing the cases of “Programa Oportunidades - Progresa” in Mexico and “Fondos para el Desarrollo de Innovaciones Educativas” in the Dominican Republic, we identified the following:

1) MEXICO: “Programa Oportunidades”

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⁹⁴ Initiatives like Bolsa Escola in Brazil, the voucher system in Colombia, targeted bursaries in Chile and Paraguay, Bolivia’s Social Investment Funds, etc.
“Programa Oportunidades” is a Federal Government initiative coordinated by the Social Development Ministry that aims to counteract the vicious cycle of poverty through monetary transfers to low-income families to improve food consumption, school enrollment and health.

In rural education, the program has achieved a 24% increase in secondary enrollment with respect to 1997; in health and nutrition, it has increased families’ food consumption by 13%. As per 2004 figures, the coverage of the program was estimated to 5 million households.

Strengths:

- The program focuses in short term relief and long term capabilities;
- Integrates synergies in education, nutrition and health, among other goods and services, through institutional coordination;
- Diminishes low-income sector’s poverty legacy and encourages family’s co-responsibility;
- Promotes larger participation in less-developed locations; and
- Develops strong operational systems and evaluates impact from a departure point.

Weaknesses:

- The program is only linked to quantity but not to quality of education;
- Lacks of effective synchronization with programs executed by the Ministry of Education or private organizations;
- Potential results in some regions are limited by shortages in labor markets;
- It is centralized and lacks of an appropriate coordination with local authorities; and
- Weak monitoring systems and un-certainty in the time of support (no exit programs).

2) DOMINICAN REPUBLIC: “Fondos para el Desarrollo de Innovaciones Educativas”

95 In Chiapas, for example, the program’s coverage represents more than 60% of total public schools students.
Social initiative in which the Ministry of Education encourages civil society organizations to carry out innovative projects that seek to improve quality and quantity of initial and basic education for children in low-income communities.

In general terms, the program promotes information to parents, private networks to increase coverage, innovative teaching methods and use of technology, in-house instruction, awareness about public health, inclusive education and training in ethical and democratic values, child and adolescent rights, creative expression and community recreational spaces, and research on education policies and decentralization.

Strengths:
- Decentralizes the administration of public education;
- Encourages the participation of community-based organizations and private actors;
- Persuades that successful initiatives be replicated nationwide; and
- Select benefited organizations through a rigorous screening process.

Weaknesses:
- The initiative is focused on initial and basic education only, not secondary;
- Although it intends to improve demand factors related to the opportunity cost of attending school, grants can only be used in supply-side categories;
- Social groups, not legally constituted, are excluded from the program; and
- The Secretary of State controls the selection process, and does not allow other sectors of society to participate in the definition of the applicable criteria and follow up.

Non-Governmental Organizarions (NGOs)

Private Sector organizations that receive support and funding primarily from private donors, either because they were constituted in response to the initiative of a firm to satisfy unattended social needs, or in response to the enterprise of an individual or a group that are willing to devote human and economic resources to social causes.
An example of successful initiatives that provide community services with private funding are Fundación EDUCA Mexico (EDUCA) in Mexico City and the DREAM Project in the Dominican Republic; cases that, even though are very different in nature and objectives, allow us to illustrate some opportunities that civil society organizations bring to development.

1) MEXICO: Fundación EDUCA México, A.C. (EDUCA)
www.educa.org.mx

EDUCA is a nonprofit initiative that was founded in 1996 by a group of college students in Mexico, that has the objective of supporting NGOs that provide early-childhood and basic education services to low-income children, through consulting services, fundraising training and economic incentives, in order to attain self-sufficiency.

During the last 9 years EDUCA has been able to gather more than 2,150 donors/investors in a single year that contribute on the different programs with an average monthly donation of approximately US$ 20 monthly dollars; benefited more than 16,000 low-income children and youngsters, their families and communities, and assisted more than 30 organizations to consolidate themselves as Community Development Centers.

Strengths:

- Screening mechanisms that allow the organization to select and support high impact organizations only, following a criteria established with the advice of academic experts;
- Design and implementation of a subsidiary model by which supported organizations reduce the dependency and non-recurrence rates from a limited number of major donors;
- A multiplier effect, as organizations raise complementary funds; and
- Promotes networking, sharing best practices and continuous learning among organizations.
Weaknesses:

- Lack of monitoring systems to assess the educational impact in the population assisted by benefited organizations and guarantee the optimal use of funds;
- No selection (prioritization) of communities / geographical sites that would receive aid;
- Supports private organizations that specialize on early-childhood and basic education only (not secondary education, neither public schools); and
- No rotation and participatory mechanisms in their governance structures so representatives from the Public Sector or civil society cannot participate in the decision taking.

2) DOMINICAN REPUBLIC: The Dominican Republic Education and Mentoring Project (DREAM):
www.dominicandream.org

The DREAM Project is a nonprofit organization located in the North Coast Community of Cabarete, founded in 1999, but conceptualized more than a decade ago by a group of U.S. citizens that had often visited the country. The organization seeks to improve the conditions at which education is provided to children that live in this community, by raising funds from domestic and foreign institutions and individuals.

The DREAM Project has supported 8 schools, overcome several obstacles with local authorities as the insufficient provision of government-mandated daily breakfast, inadequate behavior of teachers, among other problems in public schools. From January 2003 to June 2004, it has served more than 2,000 students, recruited over 100 volunteers, constructed 17 buildings, provided books, school supplies and computers; set up a summer program and child sponsor initiatives, created an on-line base of supporters, among others.

Strengths:

- Permanent monitoring of school activities, encouraging involvement of parents;

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96 Comment based on the interview made to Mr. Michel Zaleski, President of the Foundation.
- Relatively close relation with local authorities to implement complementary programs to official systems and curricula;
- Provides complementary services to offset the opportunity costs of attending school, including health, parental education and recreational activities; and
- Promotes domestic and international fundraising.

Weaknesses:

- Community impact limited to the region where they operate;
- Lack of mechanisms to promote schools financial self-sufficiency; and
- Not sufficient commitment from domestic donors and members of the community that do not feel part of the project.

Public-Private Partnerships

Commonly, “Public-Private Partnerships” is a term that is applied to medium and long-term relationships between the Public and Private Sectors, in which they share risks and rewards and utilize multi-sector skills and resources to deliver public policy outcomes.

In most cases, these alliances neither satisfy isolated needs nor have a tangible impact in low-income families; in these, the investment of the Private Sector is generally rewarded by long-term concessions or licenses and the final goods and services are provided at a certain price.

In the context of our paper\textsuperscript{97} we will only apply the term of PPPs to social initiatives that seek to provide community services complementary to education in which the Public and Private Sectors collaborate in an equitable manner, and will refer to those that either provide a public good or service that is currently not being provided by the government efficiently, in which both sectors are co-responsible and accountable for its correct implementation.

\textsuperscript{97} Regardless the multiple approaches to PPPs that have been implemented, including a mixture of public and private schools, private participation and privatization in education, different forms of private investments and associations, and private concessions to operate public schools.
Even though we did not find particular examples of such partnerships in Mexico and the Dominican Republic, we anticipate the following:

Opportunities:

- Establish co-investment, risk-sharing and knowledge / expertise transfers;
- Increase Public and Private Sector productivity and competitiveness;
- Target macro objectives through micro solutions, tailored to local needs;
- Participation of the Private Sector in the design and implementation of public policies; and
- Development of rigorous screening mechanisms to select benefited populations and high impact organizations, as well as innovative fundraising methods.

Threats:

- Lack of appropriate communication and decision making channels;
- Coordination failure due to excessive bureaucratic procedures between sectors and levels of government;
- Divergent interests and lack of consensus; and
- Failure of one sector in fulfilling their equal responsibilities.

**Model**

As mentioned in the introduction, national and international agents have recognized in world conferences that in order to eradicate poverty and improve education levels, countries are required to implement multi-sector strategies.

In order to construct a specific relation between PPPs and education, we developed a micro-economic model in which we defined two endogenous parameters into the utility function of a low-income family that faces the decision whether to register their children in school or in the labor market. The first parameter stands for the Public Sector’s effectiveness in providing education, and the second for the degree of collaboration between the Public and Private Sectors.
A. DESCRIPTION.

The utility function of a low-income family that faces the decision to invest in human and social capital (H) or to spend in non-basic goods or services (C-B), is given by the following relation:

\[ U = H^{\alpha} (C-B)^{1-\alpha} \beta \]

where (H) is the investment in human capital; (C-B) the disposable income after satisfying basic needs\(^{98}\) (B) and taxes; \((\alpha)\) a parameter that incorporates the preferences of a family to invest in education when influenced by the efficiency of Public Sector’s expenditures\(^{99}\); and \((\beta)\) a coefficient of collaboration between sectors as an increasing function of the equality of contribution among sectors and the probability of cooperation. More specifically:

\[ \beta = \frac{[(G+P) + Pr(GUP)\min(G,P)]}{2[(G+P)+\max(G,P)]} \]

where (G) stands for Public Sector investment and (P) for Private Sector investment. This coefficient intends to affect the family’s preferences: as it approaches to its maximum value of 0.5, the family, as a member of society who participates within the activities of the Private Sector, feels co-responsible of providing those services and benefits positively from them.

As observed in the formula, the collaboration coefficient captures two features: it sanctions the difference in size among the contributions of each sector and the degree of

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\(^{98}\) In this variable, we include every expense that a family has to do to satisfy their food, health, and housing needs.

\(^{99}\) This coefficient could be estimated by using different quality measurement that could be applied in national or multi-national perspectives, such as the results of PISA or TIMSS surveys measured as a percentage of the maximum score and adjusted in the scale of 0 to 0.5.
autonomy in implementing social programs. In other words, if one sector has a larger share or controls the project, it will eventually influence decisions towards its particular interests.

In our model, we assume a budget constraint\(^{100}\) in which the family is awarded by a conditioned subsidy if registering its children in school:

\[
I^S = H + C = W(N-T) + W^S(N-S) + SA
\]

where \((I^S)\) is the total income of the family, \((W)\) is the wage that the father earns while working for the rest of his life \((N)\) is the number of remaining working years and \((T)\) the years that the father has worked; \((W^S)\) is increased wage that the child would earn during the rest of his life after spending \((S)\) years in school; \((A)^{101}\) accounts for the aid or combined subsidies and in-kind contributions given by the Public and Private Sectors given to the family only if the child goes to school for \((S)\) additional years: \(A = G + P\).

Basic assumptions of the model:

- The father had completed only primary education, the same level that the child has completed with no further education.
- \(W^S\) is greater than \(W\).
- \(\alpha + \beta\) are less or equal to 1.
- \(C\) is always greater than \(B\).

Diagram 2: Indifference Curve of a Low-Income Family\(^{102}\)

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100 For simplicity, we do not consider any cost of capital nor inflation effects in our model, so \(W\) and \(W^S\) are fixed over the \(N\) periods.

101 Value \((A)\) represents a conditioned subsidy to the children’s enrollment in school, similar to the one implemented by “Programa Oportunidades / Progresa” in Mexico.

102 Non-basic goods refer to all other goods that are different to basic health, food, housing and education, including leisure and savings.
After maximizing the utility function we find that the decision of the family to invest in human capital is defined by:

$$H = \frac{[(\alpha + \beta) (C - B)]}{1 - \alpha - \beta}$$

where (C) is determined by the total income of the family.

B. EFFECTS ON QUANTITY OF EDUCATION.

As both parameters, $\alpha$ and $\beta$, have a positive effect in the amount invested in human capital in our utility function (a substitute effect), as well as variables $W^S$ and $A$ in the conditioned budget constraint (income effect), we would expect that an increase in any of these variables would shift the aggregate demand for education ($D$) in the direction of the optimal demand of the society ($D''$)\(^{103}\).

Diagram 3: Impact of an Increase in $\alpha$ and $\beta$ in the Demand for Education.

Considering a perfectly elastic supply curve of education\(^{104}\), as we could attribute low enrollment rates to the high opportunity cost of attending school, the movement of the demand curve would be captured by both ($D'$) and ($D''$).

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103 For simplicity, we assume that the society desires a 100% enrollment rate.
104 Assuming that the government installed capacity is sufficient to host every individual that responds to the incentives defined in our model.
The distance marked with the letter A corresponds to the effect of a social initiative similar to those implemented by GOs of NGOs (resulting from both income and substitute effects) like “Programa Oportunidades – Progresa” and EDUCA in Mexico, and “Fondos para el Desarrollo de Innovaciones Educativas” and the DREAM project in the Dominican Republic.

Similarly, as the model is constructed, \((D’’)\) - that stands for the desired demand of society for education - could only be reached if \(\alpha + \beta\) are equal to 1, implying that public investment in education has reached an optimal level and that the participation and collaboration among sectors in the provision of complementary services to education is perfect.

In other words, only when the Public and Private Sectors combine their resources in this kind of social initiatives, the demand for education of low-income families’ would approximate that of the society\(^{105}\) (effect captured with letter B).

C. MICRO-SOLUTIONS IN A MACRO-PERSPECTIVE.

By using a simple version of the Solow model with human capital, we can observe that the total output of the economy could be estimated as a function of its stocks of physical and human capital:

\[
Y = K^{\alpha}(AH)^{1-\alpha}
\]

---

105 Assuming a fixed or increasing value in the public sector effectiveness coefficient (\(\alpha\)).
where \( Y \) is total output; \( K \) physical capital; \( A \) labor-augmenting technology that grows exogenously; \( H \) skilled labor in production; and \( a \) the propensity to consume physical or human capital. In this model, \( H \) is determined by:

\[
H = e^{\Psi \mu L}
\]

in which \( \Psi \) is a positive constant that estimates the effect of additional schooling in a worker’s wage; \( \mu \) denote the fraction of an individual’s time spent learning skills; and \( L \) represents the total amount of labor used in production in this economy.

According to our model, an increase in \((\alpha)\) or \((\beta)\) will have a positive effect in low-income family’s investment in human capital and so in the aggregate demand of education will shift the demand curve (D) towards the optimal demand of society (D’’).

In other words, if the efficiency of the public sector investment in education improves or the collaboration coefficient between sectors rises, we could expect an increase in the demand for education, and therefore in the fraction of time \( (u) \) that a family or an individual devotes to it.

Thus, if defining \( u \)\textsuperscript{106} as a function of certain variables, including \( (\beta) \): \( u = f(\alpha, \beta, \ldots) \), the enhancement of PPPs in the provision of complementary services to education will have a positive effect in skilled labor in production \( (H) \) and, ultimately, in the total output of the economy \( (Y) \).

**Conclusion**

Without any doubt, attaining the right of all people education is one of the world’s most critical challenges to eradicate poverty and income inequalities within and between countries,

\textsuperscript{106} In the model developed by the authors previously referred, \( (u) \) is constant and is given exogenously.
and a global commitment that must be confronted by every sector of society. It is not a question of education as a social value, but how to combine the different skills and resources of the Public and Private Sectors, and civil society to improve its quantity and quality.

By analyzing the situation of education in Latin America and developing a model that shows, under certain conditions, how the enhancement of Public-Private Partnerships (PPPs) would increase the enrollment rate of low-income students and improve social welfare and economic growth, we can anticipate the following benefits:

- The Public Sector would complement the curricula of formal education with additional resources and skills from the Private Sector and civil society organizations;
- Private firms that operate in a specific location would improve the living conditions of the community they serve and benefit from, improve educational skills of workers, and, ultimately, increase their revenues and profits; and
- Finally, the enhancement of PPPs will allow society and its members to attain the desired levels of school enrollment, and to gain from the multiple externalities of investing in human capital.

By presenting this model we hope to contribute with a complementary approach to improve education in Latin America and other developing regions, and to assist national governments, international organizations and private firms to accomplish the different commitments assumed in the EFA and the MDGs global initiatives.
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Notes

This research is the result of several months of hard work and our experience of having participated in social development initiatives in our countries, and wouldn’t be possible without the assistance of many people.

We would like to thank the Teachers College at Columbia University, particularly the coordinators of the Politics and Education Graduate Student Conference for giving us the opportunity to share our ideas about education and Public-Private Partnerships with other people and experts in these topics. Also, we would like to thank Ricardo Correa, Taylor Watson, Francisco Rivera-Batiz, Miguel Urquiola and Carlos Seiglie from Columbia University; Lenora Suki from the Earth Institute; Michael Zaleski from the DREAM Project; and Rogelio Gomez-Heramosillo from “Programa Oportunidades - Progresa”; as well to our classmates and other friends that gave us important suggestions.

This paper is dedicated to the thousands of nonprofit organizations in Mexico and the Dominican Republic that fight every day to reduce social inequalities.

Presenter Descriptions

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