

School Reform News

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Increased Choice Linked to Higher Educational Quality

Competition brings greater achievement, lower costs, higher teacher salaries, and more

BY GEORGE A. CLOWES



Exercising educational choice in the U.S. generally requires parents to pay private school fees or move to another school district. Is the quality of public ("free") education affected by the competition from those other schooling options?

Milton Friedman once wrote, "If you're trying to go into the business of selling chocolate and somebody down the street is taking money from you in order to give chocolates away, then you've got a difficult time making a business out of that."

If a few chocolate-selling businesses did offer "chocolate choice" to consumers under the circumstances described by Friedman, would the severely hobbled competition that resulted have any effect on the quality of the free chocolate?

A recent study from the National Center for the Study of Privatization in Education concludes that increased competition, even under such disadvantaged circumstances, does improve educational quality, though by only a modest amount. The study makes the obvious point that increasing the level of competition under such uncompetitive circumstances would be difficult, and notes policymakers are unlikely to pursue competitive reforms since the resulting payoff in educational quality is relatively small.

The study, "The Effects of Competition on Educational Outcomes," was conducted by

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Choice Gains a Foothold in Education Bill

Parents get functional equivalent of remedial education vouchers

BY ROBERT HOLLAND

The year 2001 brought promising first steps in the direction of changing Washington's posture toward K-12 education.

Accountability and parental choice gained a foothold as Capitol Hill and the White House reached agreement on reauthorization of the Elementary and Secondary Education Act, first passed under LBJ in 1965.

Shortly after taking office, President George W. Bush introduced his "No Child Left Behind" plan for reforming the ESEA. Prospects quickly dimmed for provisions that established parental choice as a way to hold schools accountable for how effectively they use federal aid.

Congressional leaders insisted on jettisoning Bush's modest proposal to let families stuck with failing schools for three years use their Title I subsidies to transfer to better private or public schools. To opponents of the plan, that smacked of "vouchers," a politically demonized word.

Nevertheless, the bill Congress finally sent to the President contains a provision that contemplates public money following a child out of a chronically failing government school to a tutor, private or public, of the family's choice.

Some advocates have derided this measure as "after-school choice," instead of the real thing. Nevertheless, it establishes the concept of portability in federal K-12 aid, which could be expanded to include vouchers for paying private tuition, especially if the U.S. Supreme Court upholds the constitutionality of vouchers in the Cleveland case later this year.

Remedial Ed Vouchers

Indeed, Fritz Steiger, president of Children First America, calls the provision in the reauthorized ESEA "the functional equivalent of remedial education vouchers for students." The measure is found in a section allowing parents to use Title I funds to pay for "supplemental services," such as

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Congressman John Boehner (R-Ohio) (left) and President George W. Bush confer during a meeting with congressional education leaders at the White House. In January, Bush signed a measure reauthorizing the Elementary and Secondary Education Act, which included testing and accountability measures touted by Bush since the November 2000 election campaign. photo/Shawn Thew

RAND Study Grudgingly Reveals Good News About School Choice

Researchers' biggest concern is choice's effect on non-choosers

BY ROBERT HOLLAND

ARAND study primarily funded by foundations that have been skeptical of—if not downright hostile toward—school choice reported many positive and promising results of private school vouchers and public charter schools.

But the RAND authors took such pains to spin the data as tilting toward neither supporters nor foes of choice that the 266-page report generated a spate of anti-choice headlines.

"Our review of the evidence leaves us with-

out a crisp, bottom-line judgment of the wisdom of voucher and charter programs," contended the RAND authors.

"Voucher Study Indicates No Steady Gains in Learning," decided *The New York Times* in a December 9 story. Reporter Diana Jean Schemo interpreted the report to reveal "the paucity of reliable data from either side."

Consistent Progress

But RAND's analysis, titled *Rhetoric Versus Reality: What We Know and What We Need to Know About Vouchers and Charter Schools*, in fact shows a consistent pattern of progress.

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State Takes Over Philadelphia's Failing Schools

Edison role unclear as privatization efforts inch forward



Pennsylvania Governor Mark Schweiker (right) announced in late December the state would take over the troubled Philadelphia School District. The takeover could become the nation's largest experiment in school privatization. file photo/Schweiker Web site

BY GEORGE A. CLOWES

At 6:30 p.m. on December 21, 2001, Pennsylvania Education Secretary Charles Zogby signed a Declaration of Distress for the Philadelphia School District, triggering the formation of a School Reform Commission to oversee the troubled public school system.

Less than six hours later, at 12:01 a.m., on Saturday, December 22, the Commonwealth of Pennsylvania turned over operations of the school district to the Commission, under the leadership of interim chairman James E. Nevels, a local civic leader and entrepreneur. The takeover could become the nation's largest experiment in school privatization, but it faces fierce opposition.

A five-member Reform Commission was in place by the third week in January, with two members appointed by Philadelphia Mayor John Street and three appointed by Pennsylvania Governor Mark Schweiker. The Commission will decide which schools are to be turned over to private education companies and will negotiate contracts with those companies.

Although Edison Schools, Inc. had been involved in developing privatization options for the district, the company's ultimate role will be decided by the Commission rather than interim chairman Nevels, as was called for initially.

Under the last-minute agreement hammered out between the governor and the mayor, the city has to put up an additional \$45 million for the schools instead of the \$15 million initially offered; the state will provide an additional \$75 million. In return, the mayor gets to appoint two commission members rather than just one under the governor's initial plan.

"Mayor Street and I realized that with nearly six out of 10 children failing reading and math,

this is no time to continue the status quo or apply 'Band-Aid' solutions," said the Republican governor in announcing the accord and appointment of Nevels on December 21.

The basic mechanism for the takeover was developed by the state legislature in April 1998 in response to a threat by then-superintendent David Hornbeck to shut down the city's public schools. (See "Philadelphia Schools Face State Takeover," *School Reform News*, June 1998.)

**"Mayor [John] Street
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MARK SCHWEIKER
GOVERNOR, PENNSYLVANIA

The 1998 takeover plan called for putting the district under the control of a School Reform Commission whose Chief Executive Officer could hire non-certified staff, suspend compliance with state mandates, reconstitute troubled schools by reassigning or firing staff, hire for-profit firms to manage some schools, convert others to charter schools, and reallocate and redistribute school district resources. However,

Nevels must defer contract approval to the full commission.

"Education and opportunity are inseparable," declared Nevels. "It is my fervent belief that all children, especially those in the largest school district in the Commonwealth, should be afforded the same opportunities that I had. Those children will become my children."

Nevels has served for over three years on the Chester Upland School District's Board of Control, where Edison now runs nine of the 10 schools. Last summer, former Governor Tom Ridge awarded a \$2.7 million contract to Edison to study and report on the Philadelphia School District.

The company's recommendations involved turning over management of the district and a number of individual schools to private companies. However, Street and his allies have forced Schweiker to back away from a number of Edison's recommendations. (See "Philadelphia Mayor and Unions Defeat 'Bold' School Reform Plans," *School Reform News*, January 2002.)

"I understand the reluctance and uncertainty that's out there," said Schweiker, calling on "teachers, staff, students, and parents to work with the Commission to give this new course a chance to succeed."

While Street also said the partnership "holds great, great promise for our children," Schweiker's reform efforts face both overt and covert opposition. As a December 3 *Wall Street Journal* editorial noted, there is much to protest about a public school system where 176 out of 264 schools are on the failing list and half of all high school students drop out. But the protests by teachers, parents, students, and community activists have been *against* reform.

"What we really need is \$3,000 to \$4,000 more a student," long-time teacher Lou Lessick told the *Philadelphia Daily News*. The district's \$1.7 billion budget currently delivers about \$8,100 per student and runs a deficit of \$1,000 per student.

On December 18, a combination of labor unions and community groups called the Coalition to Keep Our Public Schools Public filed a lawsuit to stop the state from signing a contract for Edison Schools to manage city schools. The Philadelphia Federation of Teachers vowed to challenge the takeover, and Congressman Chaka Fattah (D-Pennsylvania) called for an investigation into the performance of Edison Schools.

Street's credibility as a school reformer came under severe scrutiny in mid-December when Philadelphia's watchdog newspapers published details of a secret report that described how the mayor could "cripple the school district's ability to function" if the state took over. The confidential memo, dated November 28—when Street was urging Schweiker to cooperate—outlines a battle plan for destroying any attempt to bring change to the school system, through a combination of lawsuits, manipulation of personnel, and other actions that would "accelerate Edison's anticipated failure."

Although Street requested the secret report, he said he would never implement its recommendations.