

# Transcript

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## School Choice and Education Reform in Massachusetts: Competing in the 21st Century

On Tuesday, January 31, 2006, Pioneer Institute held an event entitled "School Choice and Education Reform in Massachusetts: Competing in the 21st Century," featuring a presentation by Chris Whittle, CEO/President of Edison Schools. "School Choice and Education Reform" is part of Pioneer Institute's ongoing mission to present ideas, lectures, and experts on topics of significance to the Commonwealth, and to the country.

Christopher Whittle is an entrepreneur with more than 25 years of leadership experience in the fields of education and publishing. Whittle founded Edison Schools, the nation's largest for-profit operator of K-12 schools, in 1992. He was previously the founder and chairman of Whittle Communications, one of America's largest student publishers, and chairman and publisher of Esquire Magazine. In 1989, Whittle launched Channel One, the first national electronic in-school news system, which today serves 12,000 middle and high schools throughout the United States, providing 8 million students with domestic and international news each morning. Channel One's programming has received wide recognition, including the Peabody Award, one of television journalism's highest accolades. As Pioneer Board Member Alan Steinert, Jr. said in his introduction, "He is an entrepreneur who has brought his capabilities - and just as importantly, his considerable passion - to the cottage industry, as he characterizes it, of K-12 education in the United States."

**CHRISTOPHER WHITTLE:** I'd like to thank Jim Stergios and Pioneer Institute for the opportunity to speak with you. It's been 15 years since I began working in the field of education reform. I've been around schools for about 35 years, first in the media business, but didn't get seriously involved in schools until 1991. The Institute has asked that I share a few observations and lessons gleaned from those 15 years. It's a topic that I've been thinking about a great deal lately, in my first book that appeared last fall, called *Crash Course*. I named it *Crash Course* for three reasons: one, I had been on a bit of a crash course for the last 15 years in learning about schools. Secondly, in some ways it's a crash course for the reader. I'm trying to give them a sense of a lot of things quickly. Third, it could be implied that as a nation we're on a crash course if we don't deal with some of the major issues that you all know about so well.

I've also been weighing the lessons of the last 15 years, because, as we speak, Edison is planning for the next 10 or 15 years. We want to incorporate these lessons into our next school design for the fall of 2008. Many in this audience are involved in that effort.

"Education is especially critical in this age of global economic competition, a world of three billion new capitalists in China, India, and Russia," Pioneer Board Member Alan Steinert, Jr. noted in his introduction. "Yet tens of thousands of school children in Massachusetts cities face disillusionment because they lack educational opportunities."

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It would be hard not to learn something from the last 15 years. Edison now works with about 300,000 students. We are involved in about 1,000 different school sites, from the British Isles to the Hawaiian Isles. We have five major lines of activity. We manage charter schools. We manage schools for school districts, generally ones that are in considerable trouble. We consult for schools in what we call turnaround activities. We're the largest operator of summer schools, with about 60,000 students. And we have about 40,000 children that we tutor around the country as part of SES [Supplemental Educational Services], under the NCLB [No Child Left Behind] Act. I took our experience in those areas and gleaned six lessons that will be interesting to you, as policymakers and practitioners.

### *Lesson One*

This is actually not popular to say in reform circles, but America's public schools are making progress. It's important that we recognize and applaud that. I'm not just being politically correct. There's considerable empirical evidence that that's occurring. The Council of Great City Schools, which is the organization of the largest urban districts in the United States, has reported that over the last three or four years progress in proficiency levels has been occurring. As an organization, we independently looked at this, tracking the largest urban systems in the US, and we are seeing some improvements. Philadelphia is an example of that. We worked very substantially there. I'm going to talk about Philly a little bit more, but it's moved students almost a quartile in proficiency in the last 36 months. For those that know how hard one point is to get, that's real success. New York City, which is my home, has seen double-digit proficiency gains over the last 36 months. Joe Klein and Mayor Bloomberg have been doing good work, and many are quite optimistic about what we're going to see there in the next four years.

### *America's public schools are making progress*

Several years ago we realized that in order for people to understand how we were doing, we had to present our results in the context of comparable schools, otherwise people didn't know whether we were good, bad or indifferent. About seven years ago, we created a control group of about 1,100 comparable schools to the ones that we're involved in around the United States. There are almost a million students in that control group, and we've been

monitoring the performance of those 1,100 schools for several years. For the first few years, they were flatlined. They literally were not moving at all in proficiency gains. In the last two to three years we have seen those schools begin to improve substantially. We attribute that in large part to NCLB and accountability acts at the state level.

### *Lesson Two*

Choice and competition do drive significant change, and raise all boats. The race between different types of schools results in better schools for all children in a city or in a state. Not that alternative providers account for any substantial part of the total number of students in the United States – taken together, they're only about 2% total US student enrollment. But the indirect effect is substantial in putting positive friendly pressure on the remainder of public schools in the United States.

### *Choice and competition do drive significant change*

Take Philadelphia, which is about the seventh largest system in the United States. Four years ago then-Governor Tom Ridge decided to have the state take over the Philadelphia Public Schools. It was the largest state takeover in US history and was incredibly controversial, in part because of Edison's involvement. In 2002, seven different outside providers were given the 45 lowest performing schools in the city of Philadelphia. Edison got about half of those schools, and the other half were divided across six different providers. Universities, nonprofits, other for-profits like Edison were involved.

More interesting than studying how well those 45 schools have done, and they've done quite well, is looking at how the other 200 schools in Philadelphia, which were not placed into private management, have done. If you take the top 10 urban systems in the United States, the highest performing system over the last 36 months, hands-down, by a factor of two, is Philadelphia. Philadelphia has picked up almost 25 points of proficiency gains on state assessments over the last 36 months. It's almost double the second largest system in the United States. The reason is that competition and choice have been put into that system in a very, very substantial way.

Philadelphia is a very important situation in the making. It's not just the private providers who have done well;

it's the system itself using the creative tension that was brought to bear in a significant way.

### **Lesson Three**

Though we've made some progress, we are a long way from having this situation in hand. Allow me to note a few startling facts that are included in the book. America has 50 million school-age children. If you look at the National Assessment of Educational Progress (NAEP) scores, you'll find that around a third of our children are below "basic," the lowest possible ranking on the NAEP. We have then 15 million functionally illiterate children in the United States. 15 million. There are more illiterate children in the United States than Britain has children. We have a country of illiteracy embedded within the United States.

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### ***We are a long way from having this situation in hand***

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What's even more tragic is that, across the nation, the NAEP state assessments on reading and math haven't moved substantially for the last two decades. We have more African-American men in prison than we do in college in the United States, which tells an important tale. We have thousands upon thousands of schools that have 90% illiteracy rates.

One day, I was preparing for an address in New York City, and I asked our statistics department what they could get for me on the 20 lowest performing schools in New York State. I just wanted to have the data. They came back. There were 13 schools in New York State that had zero proficiency on reading and math. That's statistically difficult to do, meaning not one child in 13 schools was either proficient in reading or math. 100% failure rates. You tend to think of no survivors having to do with airline crashes. You do not think of it when you think of public schools.

I was stunned. I said to them, "Is this something that's unique to New York? Could you run these numbers for other states?" And what we found is that state after state - there weren't a lot that had zeroes, but in state after state there were dozens and dozens of schools with 98% or 99% failure rates on state assessments. State, after state, after state.

Finally, though, reformers tend to focus on schools that are in our most challenging situations. It's also important, particularly in these days, to focus on how our top children are doing. For the last couple of decades the top 10% of performers in American public schools have actually declined slightly. Our best students are not getting

better. That does not bode well for the dramatic international competition that we're going to be facing in the years ahead. We not only have a problem at the bottom of our curve, but at the top as well.

### **Lesson Four**

A good bit of legislation that is for choice and charter is so badly flawed, it would be better that we not have it at all. We all want to pass something, but if you're passing something that is dramatically flawed, it actually boomerangs on you. It's better to hold off for the right legislation. Flawed policy almost guarantees flawed execution, and that's precisely what the opponents of choice and charters and competition want. It's precisely why those laws are often flawed; they're built for failure. And, once these laws are passed, it's hard to get them changed.

I'll give you an example. A charter law which says that a charter school gets 50% of the funding of the public school down the street is a virtual guarantee that that charter will not be as good as the public school down the street. Some would go, "Well, it's a start." It's a start to failure. As someone who operates 130 schools, to do it on 50 cents on the dollar, let me tell you, it's not likely you're going to win that race.

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While there are a few exceptions, such as Washington, D.C., most charter laws provide no facilities funding. What that basically means is the cost of the facilities has to come out of the instruction budget in a school, and cost of facilities can range as high as \$2,000 per child per year. So if you have \$8,000 to spend, it means 25% of your instructional dollar is going to brick and mortar. It guarantees problems. \$1,500 vouchers in \$10,000 private school markets mean not only very slim pickings for those that get the \$1,500 voucher, but it also means there are not going to be any new providers. How can you build a private school to serve a market of \$1,500 vouchers?

### **Lesson Five**

New alternative schools—a charter, contract, or a voucher-based private school—are held to much higher standards than traditional public schools. In one respect, that is a good thing. It pushes performance in those schools. In

another way, it isn't, because it says this isn't a level playing field and that new schools are going to be judged in a

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different way.

We've learned that if we open a school, it cannot simply be better in order to be viewed as successful; it has to be dramatically better. I'll give you an example. Over the past decade we've looked at our gains, and so has everybody else in this industry. Typically, if a public school down the street had a 4% annual gain in proficiency, we might have a 7% annual gain in proficiency. To the layman and the press, they don't see that as materially different. They ask, "What's the real difference between 4% and 7%?" I tend to say, "If you went to the bank and said, 'Can I have an interest rate of 4 or 7?' people would say, 'That's material'". But in academic circles, for some reason, it does not appear that way. If we're going to squelch opposition to charters and choice and vouchers, and win this argument, we're going to have to show performance that is double and triple what we see down the street. Better is not good enough.

Similarly, a system of charter schools like the ones that we manage is not judged by its averages, but by its failures. That is a hard lesson. Your average may be much better than the average of 100 schools down the street, but the press will judge you on your weakest link every time, and your opponents will ferret out every one of your weak links and splash those on the front page.

I'll give you a very specific example. In a typical year, of all the schools that Edison manages, which by the way are 80% Title One (two-and-a-half times the national average) and 80% children of color (twice the national average), 85% will show positive academic performance, meaning they'll show proficiency gains on state assessments. Fifteen in a given year will be flat or down. Now, if you were a baseball player, that would be terrific. If you're a school manager, that 15% is what you're judged on.

We've learned that 85% has got to be 100%, and that every year every school has to be up, otherwise this movement and we suffer. It's a new standard that we've imposed at Edison. To be specific, we want every school to have proficiency gains that are twice comparable schools, and we want every school to have at least 10 points of proficiency gains. In technology, in order for a new innovation

to replace an old technology it has to be a certain factor better. The same is true in education.

### **Lesson Six**

Choice is important, but choice without a supply of truly better schools to choose from is meaningless. And America has a supply problem in schools. Specifically, America has a supply problem in terms of truly innovative, truly alternative approaches.

America invests an enormous amount in running the small learning communities that we have. And we've been increasing that investment at better than twice the rate of inflation for quite some time now. We invest, I think, \$400 billion dollars a year in American public education. Literally, every two days American public education spends the entire revenues of a *Fortune* 500 company.

Several years ago, I woke up and I saw on the front page of the *New York Times*, that Walter Annenberg gives \$500 million to America's public schools. And I had two thoughts. "Why didn't I get to him first?" was my first thought. The second was, "Does he know that's gone before lunch?" [Laughter] Because that's the truth. The hourly rate that we spend in American public education is roughly \$350 to \$400 million an hour. That's what we invest as a society.

But we spend almost nothing on changing our schools—on reinventing our schools. This is a dramatic policy issue in the United States. I want to give you two analogs to work from: the healthcare and defense industries.

The two largest industries in the United States are healthcare and education. The biggest one is healthcare. We spend \$1.6 trillion a year in healthcare. It can be debated, but a lot of people will tell you that America has the best healthcare system on the globe. Certainly, it's among the best healthcare. It's one of the few things we export. People come here in large numbers for healthcare from all over the world.

The federal government invests \$27 billion a year, \$2 billion a month, in healthcare research and development. Through the National Institutes of Health, there are 27 different NIH research centers around the United States specializing in various things. They're working on cracking the code on every conceivable disease or health opportunity that you might imagine. This has been the case since the late 19<sup>th</sup> century, and as a result we're seeing life expectancy in the United States rise and rise and rise over the last 120 years.

Now, ask yourself where is the NIH of education? And how much are we spending there? And if literacy were a disease, what are we doing about that? What are we investing to crack that code? Actually, there is an NIH of educa-

tion, though most people have never heard of it. It's called the IES—the Institute of Educational Sciences. It's embedded in the federal Department of Education. Whether it

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should be there, that's another question. What is its budget relative to the NIH? Answer: for every dollar in healthcare R&D we spend one penny in education R&D.

We spend 100 times as much as a nation in healthcare research and development as we do in educational research and development. We have to ask ourselves, does that make any sense when we have 15 million illiterate children in the United States? What would make us think that we could actually crack that code without investing to figure it out?

Whether you agree with the Iraqi war or not, you have to agree that we have the best military on the globe. The *New York Times* recently reported that our military conventional capabilities are so advanced that other nations are opting to go straight to nuclear, because there's no reason for them to field a conventional force. Wasn't very comforting [laughter] by the way. But the reason we have that military superiority is that, again, for hundreds of years we have invested in research and development in the military to make sure that we're the best on the globe.

As part of my research for *Crash Course*, I took a single research program in the Defense Department and contrasted it to what we're doing in education. By the way, I'm not anti-defense. I'm not saying we should stop our defense research and put it into education. I'm saying we should begin education research and development.

I looked at one weapons platform, built by Boeing called the Joint Strike Fighter. (I greatly admire Boeing because I spend half my life on their product.) The Department of Defense some years back awarded Boeing \$9 billion dollars to design and build just the prototype of the next strike fighter. Now, that is more than we will spend in 40 years in educational research and development. 40 years went into one weapons platform. And ask yourself: what if the Department of Education went out to any great American organization, be it Harvard University or Microsoft or General Electric, and said "We're going to give you \$9 billion to design the next generation of elementary schools?"

Now, a lot of people are smiling. I think one of the reasons you're smiling is we view that as so strange. Nine billion dollars to think about an elementary school? If you

have 15 million illiterate children, why wouldn't you do it as a nation? And that provokes the question of why aren't we doing it?

I go and talk often to federal policymakers on this, and it's interesting what comes back in terms of why aren't we doing it. I'll give you two reasons. The first is that the rich, the powerful and the influential in the United States do not confront or know about it. In 1997, the *Washington Post* did a story bringing out that not a single member of the administration, not one congressman sent their children to the DC public schools. Not one.

I was in a recent meeting in New York City. There were about 300 people in the room. I said, "How many of you send your children to the public school?" Not one hand went up. I remember thinking, what would happen if we closed all the private schools in New York City and closed the tunnels and the bridges so no one could escape to the suburbs. While it sounds un-American, this is precisely what we are doing to the poor people in New York City. We have closed the bridges and tunnels because they can't go to the suburbs; and we have closed the private schools because they can't afford them. So they are left with the public schools. And, with few exceptions, the rich, influential and powerful don't really know about this problem. They don't own the problem so we don't mobilize as a nation.

The second and perhaps more important reason that we're not doing this is that we have had a national failure of imagination when it comes to what our schools could and should be. America is the creative capital of the world, but when it comes to schools, we are stuck in the 15<sup>th</sup> century. Why is that? I think it's because we all went to the same school. I went to the public schools in a small farm town in Tennessee. You all went to different ones. They're all the same.

Now, you go, "No, no, they're different." They're really not. If Martians visited and went to one here in Massachusetts and one in Tennessee, they'd say these really aren't that different. They start at about eight in the morning, close at about three in the afternoon, divided into classes, have a teacher in front of the room more or less, cut it up into subjects, lasts for 12 or 13 years. It's all the same design. And by the way, that's not just here in the United States, but pretty much around the globe. We all go to that school, and with an almost Intel-like precision that has been embedded into the our psyches, it is incredibly difficult for us to escape that that is what it's like.

Therefore, we say, there's nothing to find out, so why should we invest in research and development? We actually think we know everything there is to know about schools. I'm here to tell you, we don't. How could we if we

have 90% and 100% failure rates in thousands of schools? We obviously don't know the answer to that and we're not going to find it via amateur hour. We're not going to find it by going, oh individual charter school, go try to figure this out. I'm sorry. I think that's a kind of folly. We're going to have to be serious about it and we're going to have to invest heavily in it. In the book, I try to give you a sense of what new schools of the future might look like.

One final thing I'll say is that we have all got to mobilize. I believe that we've got to mobilize to get the government to work with the private sector on research and development if we're actually going to have new supply. Thank you very much. *[Applause]*

*After the presentation of two research papers, "Framing the Debate: The Case for Studying School Vouchers," by Kit Nichols, and "Massachusetts Private School Survey: Gauging Capacity and Interest in Vouchers," by Kathryn Ciffolillo and Elena Llaudet, a forum discussion was moderated by Roberta Schaefer, with panelists Chris Whittle, Cornelius Chapman, and William Howell (abridged biographical summaries attached).*

**SCHAEFER:** *Much has been accomplished since education reform in Massachusetts was passed. We've got the charter schools, state curriculum frameworks, the MCAS test, school and district accountability, and nearly \$40 billion dollars in state aid. Yet in Boston, Worcester, Springfield, Lowell, Lawrence, and Fall River too many students still fall into the "Needs Improvement" and "Warning" and "Failing" categories. To what extent would publicly funded scholarships help expand educational opportunities in urban districts?*

**CHAPMAN:** The Coalition for Parental Choice in Education actually ran a mini-voucher program in Massachusetts, from 1998 through 2002, funded by a million dollar grant from John Walton and Ted Foresman. We took children from six cities—Boston, Cambridge, Chelsea, Quincy, Everett, and Revere—all of whom came from a high-cost school system. The lowest was around \$7,000 per student per year, and the highest, Cambridge, was around \$12,000. The program guidelines effectively capped grants at \$1,700. Every scholarship student was able to find a school with a parental equity contribution of a couple hundred dollars, and in some cases, a grant from their endowment. We made a place for every student.

Talk to your friends about private schools, and they think Buckingham, Browne & Nichols, the Independent League, all those nice banners on the wall at the hockey rinks. The schools these parents chose you've never heard of—the Seventh Day Adventists, Evangelical Schools,

Christian Schools, obviously Catholic schools. The program went on for four years. Each of the 250 students that got in freshman year could keep the scholarship through senior year. That works out to about a thousand per child per school year, out of a million dollars, more or less.

The academic results were striking. We had transfers back to the public school system where there was a reason for it, but nobody dropped out because they didn't like the school they were at. The kids came through with a very high level of parental satisfaction and the sense of involvement, and the sense that they had made a choice, and they got what they wanted.

**HOWELL:** The best work on the effect of vouchers has looked at vouchers in the context of randomized field trials. A randomly selected portion of kids who apply for a voucher are offered the chance to switch from a public school to a private school. I've been a part of such research in New York City, Dayton, and D.C. Look at the effects of when kids switch from public to private schools.

We saw big effects for African-Americans on test scores, on the order of about a quarter of a standard deviation. No small achievement over just three years. We did not find any effects for Latinos or for whites. There's substantial evidence that those who currently don't exercise a lot of choice are those who are going to benefit the most. Those are the populations who are stuck in failing schools. There's reason to believe they'll benefit from new opportunities.

**SCHAEFER:** *What are the major obstacles to giving students in failing urban districts greater opportunity through public scholarships?*

**CHAPMAN:** If you go back before the 19<sup>th</sup> century, you actually find that we did have something like a voucher in Massachusetts. The Constitution of Massachusetts originally said that every city and town shall compel its citizens to make a contribution to an instructor, and the instructor had to be in essence an ordained minister of the Congregational Church. But it created an exception; if you weren't a member of that faith, you got to make the same allocated contribution that you would have made to the Protestant minister to the minister of your own faith. So we actually had something like a system of vouchers that recognized non-public delivery, or non-monopolized delivery, of K-12 education.

In 1998, as a *pro bono* project at a law firm I worked at, I started a lawsuit challenging the state's Blaine Amendment, which came into effect in the mid-19<sup>th</sup> century as a combination of two forces. One was the common school movement, whose champion was Horace Mann, and the other was the Know-Nothings in Massachusetts,

who were an anti-immigrant, anti-Catholic political party. And it forced uniformity in the delivery of K-12 education, which hadn't existed before.

Blaine Amendments are found across the United States. Our suit was the first challenge to reach the Supreme Court. We did not win, but there are lawsuits percolating throughout the country. There are 37 states with a Blaine Amendment and losing once doesn't mean you've struck out. To use the baseball analogy, if you remember Wade Boggs, he would get out to bat, get two strikes on him and then foul about 25 pitches off. Then after he got up to get a beer and come back, he'd hit a single. That's the strategy in taking on the Blaine Amendments. You don't have to hit the first ball, you don't have to hit every ball, you only have to hit one ball. If one state Blaine Amendment falls, it is likely that they will all fall. So there is litigation percolating through the federal courts elsewhere, which will have an impact on Massachusetts even though we failed here.

**HOWELL:** Choice isn't new. Even before the 1990's, when charter schools and voucher programs came onto the scene, millions of kids and families were exercising choice through residency. Those who are wealthy and those who have privilege are regularly exercising choice. [To get past the obstacles,] we should highlight who benefits most from charter schools and voucher programs. Again, the kids who benefit most from vouchers don't currently have options within the existing system, tend to live in urban settings, tend to be poor and tend not to be white.

*SCHAEFER: The Pioneer study on capacity for publicly funded scholarships highlights that 72% of the schools that answer the survey reported that they would be willing to participate in scholarship voucher programs. Why haven't the legislators and educators been more responsive to this idea?*

**CHAPMAN:** I drafted a bill creating something called an IDEA account, an Interest-Deferred Education Account, which would have been sort of an IRA for educational expenses at public, private or parochial schools, including the user fees and the activity fees that are becoming such a big issue in the public schools. It would have been a refundable tax credit, if you were in a low-income family. It would have enabled both wholesale corporate contributions and individual savings, and put the money into an account. If you don't need it this year use it next year, save it for prep school or private school or if the kid needs a special kind of educational environment.

Even the most likely sponsors didn't want to push the bill, fearing that it might be struck down by a court after

months and months pushing it through committee, and getting it to the floor, and third reading and so on. You can't ask people to waste their time.

**WHITTLE:** Many in public education circles view vouchers as a die-in-the-ditch issue—the end of public education. It's a Berlin Wall kind of issue—if you bring the wall down, everyone will flee to the west. That's a big reason that you're not seeing these laws make progress in legislatures throughout the United States.

*SCHAEFER: The choice provisions built into NCLB say that if a child is attending a school deemed in need of improvement for a couple of years, that child has the right to switch to a higher performing school. Yet only 1% of eligible students are taking advantage of it. Why?*

**HOWELL:** I looked at what was happening in Worcester, and tried to figure out how NCLB's choice provisions were working. There were about 5,000 kids in schools "In Need of Improvement," who would stand to benefit. When I was there, I found out that there was one child who switched. One. Districts don't have strong incentives to start shuffling their kids around. When you put the obligation of presenting options to parents in the hands of districts themselves, you won't see revolutionary change anytime soon. Parents don't know about these options. The information isn't getting to parents about what they can do on behalf of their kids. Also, if you ask parents nationwide, "Do you like the school that your child attends?" Most parents will say yes. About 80% give their school an A or a B.

We need to not just create good laws, but also to make sure they actually take hold in districts. We need to create incentives so that parents will take advantage of their new options.

**CHAPMAN:** A technical legal point: No Child Left Behind includes something of an anomaly. It does not include what is called a private right of action, meaning it gives no individual a right to sue to compel government action. When Congress passes a bill that has bipartisan support, there's usually a private right of action, saying an individual aggrieved by a violation of law may sue and collect attorney's fees and so on. It would have been difficult, to pass No Child Left Behind with a private right of action that would have empowered parents. The teachers unions are why you don't have a private right of action in the No Child Left Behind act, because otherwise you'd have a lot of lawsuits against school districts.

**SCHAEFER:** *If there are benefits to key populations from choice—and Pioneer’s research shows that private schools are willing to serve these populations—then how can we convey that to parents? How can we encourage them to take advantage of choice?*

**CHAPMAN:** I don’t think it’s a problem of education. The demand is there. It’s a question of availability. When we started our children’s scholarship fund program back in 1998, we placed a couple of ads in minority community newspapers, such as *The People’s Voice*, *Dorchester News*, *Bay State Banner*, and there was some national advertising of the program. The number of applications equaled 30% of the eligible high school students in Boston’s public school system.

**HOWELL:** There are organizations that have taken it upon themselves to go into churches and local communities, and speak directly to parents about the opportunities they have, rather than just relying on the schools to disseminate information themselves.

I also think we should change the way we talk about these issues. Nobody gets excited about SES providers. If you tell parents, “You qualify for Supplemental Educational Services,” they don’t say, “Yippee.” But if you tell them, “Your child qualifies for free tutoring after school,” it speaks directly to them. As part of No Child Left Behind, we call struggling schools “In Need of Improvement,” which takes the edge off what we’re talking about. Parents should be active consumers and active participants in the educational lives of their kids. Changing the way we talk about choice, and the options that are afforded to parents, would matter a lot.

**WHITTLE:** I want to second William’s point. We were asked to manage a school where 99% of the children in the school were not proficient on state exams. The principal of the school had been there for a decade. When we decided to remove the principal of the school, who had been there for a decade, the parents demonstrated, because they had no idea that 99% of their children were not proficient. “Needs Improvement” doesn’t tell parents what the real situation is in their school.

**SCHAEFER:** *We should be calling them failing schools.*

**WHITTLE:** At least.

**SCHAEFER:** *Chris, could you talk more about the legal precedents in other areas of government procurement?*

**WHITTLE:** I’ve worked in government procurement at both the state and federal level, on both the buyer’s and seller’s side. The way we buy education in America is unique. You wouldn’t get away with buying a snow tire for the federal government the way we buy K-12 education in America.

The overriding principle of government procurement is competition. The only time you can go sole source is when you justify it through reams of paper. Education, though, is a special case. In colonial days in Massachusetts, school education in the K-12 years was a local matter, and people combined their resources because they couldn’t do it themselves. There was a single buyer, the city or town, and what was initially a single seller, usually the schoolmaster or schoolmarm who knew Latin or Greek.

The system evolved such that education is bought locally in the K-12 zone., but we have all kinds of choice before then and beyond then. In Massachusetts, you have daycare vouchers, and what are in essence kindergarten vouchers. And above that, you have an exception to our Blaine Amendment for college scholarships, for grants and aid to colleges and universities. In between, because K-12 education was always a local matter, we buy through a monopoly.

A union is a legal monopoly. When the antitrust laws were written, an exception was created for collective bargaining organizations. It is a constitutional principle, however, that no man shall have monopoly against the government. It’s written into the Massachusetts Constitution, and other states have these clauses as well. The next wave of litigation will use these state anti-monopoly clauses to go after this system of providing something as vital as education to the Commonwealth, when you couldn’t use that same system to buy photocopy paper at Staples.

**SCHAEFER:** *Publicly funded scholarships are available in states and cities across the country. 25,000 students in Pennsylvania; 22,000 in Arizona; over 15,000 in Florida; 15,000 in Wisconsin; and 1,700 students in Washington D.C. What are the lessons that we could learn from some of these other voucher efforts?*

**WHITTLE:** We have understated the breadth of the adoption of vouchers. I believe there is tuitioning in Maine and

New Hampshire. In Massachusetts for many, many years, if your town didn't have a high school you could send your child, for example, to Deerfield Academy through a kind of voucher. To get back to that, it's going to be a tough struggle. So for anybody who wants to get involved in this, you're going to suffer the slings and arrows of outrageous fortune.

**SCHAEFER:** *Questions from the audience?*

**Q:** *Mr. Whittle, I loved your first five points but fell off the wagon on the sixth point. If the government monopoly in education stays the way it is and we have the \$9 billion dollars infusion into education research that you talked about, won't we end up with an unlimited number of the fuzzy math programs and whole-word reading programs? I'd be much more confident in what came out of private-industry driven R&D.*

**WHITTLE:** I think you misunderstood my point. I was not advocating that the federal government conduct research and development. I was advocating that they fund it and that the private sector do the work. We do have good examples of how that works, in the defense and healthcare sectors. And, remember, we have to start somewhere. It's going to be decades before we have the world that you're advocating. Meanwhile, we have 15 million children today that are in a state of illiteracy, and we have to do something about it *today*.

Individual school boards can't do this R&D because they don't have the scale. States potentially could, but it will be difficult for a variety of reasons. The private sector is not big enough in education. Edison Schools over the last 15 years invested \$700 million. That sounds like a lot, but by serious research and development standards, it's a pittance. The federal government has the scale to undertake things like this, and if they can find the political will, I think they could.

**Q:** *My question is about special needs students. There was a curious absence of mention of this population of students in the discussion of urban school performance. So, first, did the survey ask private schools if they would be willing to accept kids with significant learning disabilities or other special needs?*

**WHITTLE:** I've done some work on the attendance patterns in private schools in New York City, and who takes advantage of vouchers, and how long they stay in private

schools. It's interesting that kids with special needs are less likely to take advantage of vouchers in New York City. It's also the case that kids on the high end of the spectrum, gifted kids, were less likely to take advantage of it. It tends to be people in the middle of the spectrum that take advantage of these opportunities and stay in private schools for extended periods of time.

**STERGIOS:** Regarding our survey, one of the major concerns on the part of the private schools that we were surveying was special education students. We excluded it because of a high level of concern. It is a question that we are interested in. I would note that the McKay Scholarships in Florida are built around providing vouchers for special education students, and that program seems to work very well in terms of cost and quality.

**Q:** *Mr. Whittle, what role do you think that schools of education play with regard to the research issue? In what way do they contribute to the problem and in what way could they be part of a solution?*

**WHITTLE:** When I talk about R&D, I'm much more interested in the "D" than the "R." We have a lot of "R" going on, and it's centered in universities around the United States and it's helpful. But "D"—meaning the operationalizing of "R," and figuring out how to turn that research into an actual program—is where we have a lack of investment. Private sector companies and foundations are going to be the "D" side of the R&D equation.

**Q:** *Under consideration in Massachusetts is a turnaround school package of legislation. The state would have to create a new set of incentives and conditions to allow turnarounds to occur, and particularly where there are turnaround partners like Edison or others. Could you comment on what some of the key elements in terms of incentives and conditions would be for an ideal package?*

**WHITTLE:** States need to attack this issue. One of the weakest aspects of NCLB is how it addresses underperforming schools. And it is a loophole for districts all across the United States to drive trucks through. Schools are complying with NCLB by simply changing the math curriculum. That's "restructuring"? There are actually consultants all over the United States, advising school systems on how to get through NCLB's loopholes. So you're right to focus on this, because NCLB, in this case, doesn't address it well.

An intervention like this needs to address common sense issues, like control over the finances of the school, and control over selection of school principals. Longevity is crucial. There's no merit to the idea that interventions of a year are going to fix a school that's been in the ditch for a decade. Those are some of the key provisions that I think you might want to look at.

END

## BIOGRAPHICAL SUMMARIES

ROBERTA SCHAEFER is the founding Executive Director of the Worcester Regional Research Bureau, and has researched and written over 130 reports on public policy issues. She has been a member of the Massachusetts Board of Education since 1996 and served as Vice Chairman for three of those years. She was appointed to the Central Regional Competitiveness Council by Governor Romney in 2003. She is also a director of the Worcester Regional Chamber of Commerce and the Greater Worcester Community Foundation, and a corporator of Bay State Savings Bank and the Worcester Art Museum. Prior to joining the Worcester Regional Research Bureau, Dr. Schaefer taught political science at Assumption College, Clark University, Nichols College, and Rutgers University. She earned her B.A. from Queens College of the City University of New York and earned her M.A. and Ph.D. in Political Science from the University of Chicago. She has co-edited two books, *The Statesman* and *The Future of Cities*.

CORNELIUS CHAPMAN is a lawyer and writer in Boston. Mr. Chapman is the founder of the Coalition for

Parental Choice in Education, which promotes the expansion of school choice in Massachusetts, and the Roxbury Educational Foundation, which supports financial literacy for low-income students. He is a frequent contributor to the Boston Herald, and his articles on public policy have also appeared in *Reason* magazine, the *Boston Business Journal*, and *Mass High Tech*. He is the author of *The Year of the Gerbil: How the Yankees Won (and the Red Sox Lost) the Greatest Pennant Race Ever*, a history of the 1978 American League East pennant race, and also *A View of the Charles*, a novel, and twenty-five plays, which have been performed in New York, New Haven and Boston, among other cities.

WILLIAM HOWELL is an Associate Professor in the Government Department at Harvard University. He has written widely on separation of powers issues in American political institutions, especially the presidency. He is the author of *Power Without Persuasion: The Politics of Direct Presidential Action*, which was published by Princeton University Press in 2003, the editor of *Besieged: School Boards and the Future of Education Politics*, published by the Brookings Institution Press in 2005, and author with Paul Peterson, *The Education Gap: Vouchers and Urban Schools*, published by the Brookings Institution in 2002. He recently completed a book manuscript entitled *While Dangers Gather: Congressional Checks on Presidential War Powers*, which examines how domestic political institutions constrain the president's ability to exercise force abroad. His research has also appeared in numerous professional journals and edited volumes.

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