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To: Presidential Candidates

From: David Osborne & Will Marshall, Progressive Policy Institute

RE: To Reduce Inequality, Reinvent Public Schools

MEMO

Growing inequality has emerged as a central issue in the 2016 presidential election. Yet none of you has paid much attention to a major source of economic inequality in America: the uneven quality of our public schools.

As far as we can determine, GOP frontrunner Donald Trump has no thoughts on how to improve K-12 education. With the exception of Jeb Bush, now out of the race, and Gov. John Kasich, the Republican candidates have said little about education on the stump, beyond ritual denunciations of the Common Core standards.

On the Democratic side, both candidates want to make public colleges more affordable, Sen. Bernie Sanders by eliminating tuition, Hillary Clinton by spending $350 billion for financial aid. Both also want to invest heavily in early childhood education. But Sanders's web page lists 21 priorities, and K-12 education reform is not among them. Clinton includes it but offers only platitudes, such as "Make high-quality education available to every child—in every ZIP code—in America," and "Ensure that teachers receive the training, mentorship, and support they need to succeed and thrive in the classroom."

Given the glaring inequities in our public schools, we are mystified by the absence of K-12 reform from your campaigns. Frankly, this appears to reflect what is worst about each party. Republicans, in blind obedience to the ideology of local control, seem more upset by the prospect of "federal meddling" in public schools than by their endemic failure to give low-income students a quality education. Democrats tolerate failure for another reason, namely fear of alienating teachers' unions. None of you, it seems, is prepared to stand up for poor children trapped in poor public schools.

As progressives, we find the silence of the Democratic candidates particularly distressing. It does not square with your professed concern with social and racial inequality. It may also reflect an erroneous belief that America's public schools merely *reflect* inequality. In fact, new research suggests U.S. schools are making inequality worse. No one doubts that children from disadvantaged backgrounds are less likely to do well in school than more affluent ones. This is true in all countries, not just the

United States. But a study by a team of Michigan State University researchers finds that "a substantial portion of the unequal education outcomes that we see between richer and poor students is related not to the home, but to what happens in school."[1]

In describing their research, William Schmidt and Nathan Burroughs say students from low-income families often are not exposed to complex topics in the classroom, depriving them of the "opportunity to learn." Critically, they argue that inequalities exist not just between schools, but *within* them. Poor students, for example, are less likely to be exposed to advanced math than their middle class peers in the same schools and the same grades.

Other studies highlight the link between America's growing income disparities and a widening academic achievement gap between children in high- and low-income families.[2] From the research we draw two basic conclusions:

1. Improving the quality of our elementary and secondary schools is essential to reducing inequality in America.
2. Any candidate for public office without a plan for improving K-12 schools is not serious about reducing inequality.

Our message to you as presidential aspirants is simple: Improving America's public schools isn't just a state and local responsibility; it's a matter of urgent national interest. That's why our last three presidents have all played major roles in reshaping K-12 education. Over considerable opposition in his own party, Bill Clinton championed and funded charter schools. George W. Bush pushed No Child Left Behind through Congress, requiring standards, tests, and some accountability for schools. And Barack Obama, through his creative Race to the Top initiative, used competition to encourage states to raise or lift caps on charter schools, create teacher evaluation systems that included student academic growth as one component, and embrace higher standards, such as the Common Core. He also provided billions of dollars to states to turn around or replace failing schools.

We urge all of you to lay out in detail your ideas for closing student achievement gaps and for raising the overall quality of elementary and secondary schools in America. Those who would be leaders must lead—even if it means deviating from the dogma of local control or standing up to teachers unions.

The good news here is that we have learned a great deal in the past two decades about how to create better schools for disadvantaged kids. From the public school choice/charter school movement has emerged a new model for organizing and governing public schools, which is producing incontrovertible gains in a growing number of cities around the country. This memo documents these successes. We urge you to use this evidence to rally public support for adopting a new model for public school governance that equips all of our children for the economic challenges of the 21st Century.

Before describing how that model is evolving around the country, let's take a closer look at how our schools are failing to deliver on the promise of equal opportunity.

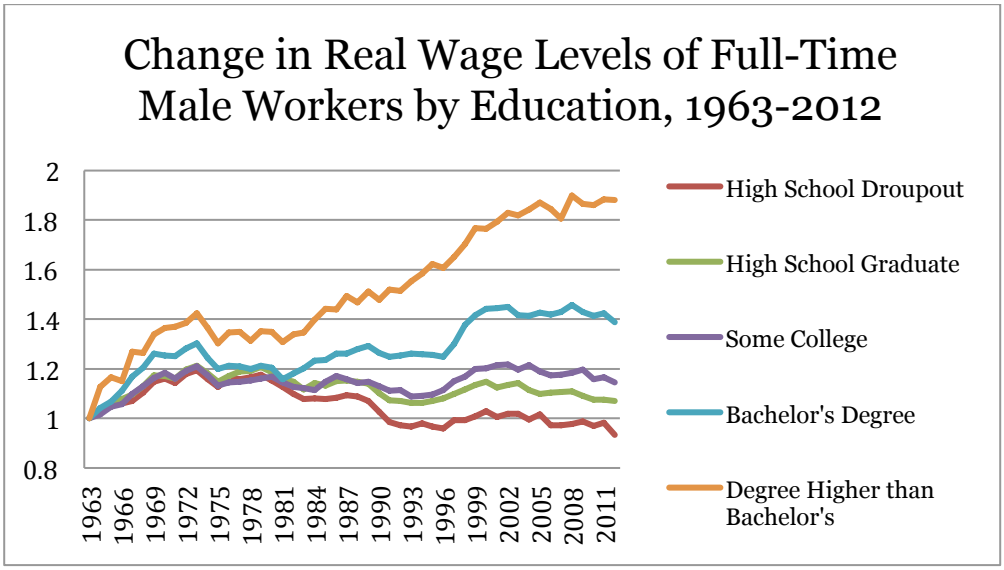
Educational Outcomes Are Becoming Less Equal

In the long run, reducing inequality without reforming our education system may be impossible, because the tide is flowing so strongly in the opposite direction. Twenty-five years ago only a third of public school students were low-income (eligible for a free or reduced-price lunch). Today, for the first time since the data has been compiled, a majority are.[3]

While the achievement gap between races is narrowing, the gap between poor and non-poor students has widened. The gap in standardized test scores between affluent students (those whose families earn more than 90 percent of the population) and low-income students (those whose families earn less than 90 percent of the population) has grown by about 40 percent since the 1960s, according to Stanford University's Sean F. Reardon. Today it is nearly double the gap between whites and blacks.[4] This study used data that ended just before the Great Recession, which probably made the gap worse.

A more recent study found that the gap in college *enrollment* between families making $108,650 or more a year and those making $34,160 or less has narrowed since 1970, from 46 percentage points to 37. But the gap in college *completion* has grown. Seventy-seven percent of the higher-income group earns a bachelor's degree by the age of 24, while only 9 percent of the lower-income group does.[5]

In today's world, education levels dictate incomes. As the graph below indicates, the spread between income levels of those with and without college degrees has widened dramatically over the last 50 years.



Source: David H. Autor, "Skills, Education, and the Rise of Earnings Inequality Among the 'Other 99 Percent,'" Science, 23 May 2014: 344 (6186), 843-851, Figure 6a.

These two realities—the education gap widening and education levels mattering more in the job market—have created a vicious cycle. As Professor Reardon says, "The combination of these trends creates a feedback mechanism that may decrease

intergenerational mobility. As the children of the rich do better in school, and those who do better in school are more likely to become rich, we risk producing an even more unequal and economically polarized society."[6]

A New Model for the Knowledge Economy

All public institutions evolve to fit their times. During the agricultural era, the dominant model of education in America was the one-room schoolhouse, in which older students did much of the teaching of younger students. Some schools were created by public organizations, some by private organizations or individuals, and some were hybrids. As the Industrial Era dawned and urban areas experienced explosive growth, this informal model could not cope with the cities' new needs, so we developed a new model: large districts with one-size-fits-all schools. To stop urban political machines from firing teachers of the opposite party and hiring their own party members—or otherwise playing political favorites—we invented tenure, strict pay scales determined by longevity, and protections for seniority.

A century later, as we moved from the Industrial Era into the Information Age, the challenges again shifted. Today students need more than high school degrees to get and hold jobs that will produce middle-class incomes. Yet our inner city populations have become increasingly isolated from the economic mainstream, their children harder to motivate and educate. Immigration has once again accelerated, bringing many students who do not speak English into our classrooms. And computer technologies have created enormous opportunities to personalize education, so each student can learn at his or her own pace. Yet traditional districts have largely been unable to meet these challenges or seize these opportunities, due to their bureaucratic structures, rules, and unions.

Reform has been the tenor of the day for 30 years now, but it has not accomplished what most reformers have hoped. Since 1970, 17-year-olds' scores on the National Assessment of Educational Progress have not budged. Too many reform efforts have run headlong into the limits of the old, centralized system: teachers who cannot be fired because of tenure; principals who cannot hire the teachers they want or control their school budgets, because those decisions are made for them; and districts that are too politically captive of their employees to close weak schools and replace them with something better.

The only cities that have dramatically lifted the prospects of inner-city children have been those that have embraced a fundamentally new model. These districts focus on steering, not rowing—authorizing schools, not operating them. Cities with significant numbers of charter schools, where authorizers close failing schools and replace them with replications of schools that have succeeded, have produced dramatic gains in test scores, high school graduation rates, and college enrollment rates.

The largest national studies of charter performance have been done by the Center for Research on Education Outcomes (CREDO), at Stanford University. Its methodology compares charter students to demographically similar students in traditional public schools who have had similar test scores in the past. In its 2015 study of 41 urban centers, CREDO found that charters on average produced 40 more days of learning in math and 28 in reading, compared to traditional public schools (TPS).[7] For low-income students, they did even better:

> Across all urban regions, Black students in poverty receive the equivalent of 59 days of additional learning in math and 44 days of additional learning in reading compared to their peers in TPS. Hispanic students in poverty experience the equivalent of 48 days of additional learning in math and 25 days of additional learning in reading in charter schools relative to their peers in TPS.

The longer students stayed at charters, the larger the benefit: "by the time a student spends four or more years enrolled in an urban charter school, we can expect their annual academic growth to be 108 days greater in math and 72 days greater in reading per year than their peers in TPS." Since traditional school years last about 180 days, this is the equivalent of an extra half-year of learning, every year.

Studies of graduation rates and college-going rates show equally dramatic gains for charters. Why? For three big reasons:

1. **Autonomy**. Traditional schools don't work well for many low-income students, who often arrive at school with little motivation. To create schools that motivate such students, charter leaders have fundamentally redesigned the nature of schooling. Only if they have real control over the key decisions at their schools is that possible. Yet in traditional districts, decisions about curriculum, hiring, school budgets, school design, length of school day and year, and a hundred other things are made at central headquarters, not at schools.

2. **Accountability**. In traditional districts, schools often live on year after year, despite terrible results. In contrast, charters that fail to educate their students are supposed to be closed by their authorizers. In the past, states such as Arizona, Ohio, and Texas have fallen down on this job. But the National Association of Charter School Authorizers and other leaders in the charter world have made closing failing schools a top priority in recent years, and last year those three states each closed more charters than they opened.[8] Closures not only weed-out failures, they keep everyone employed at charter schools aware that if their students are not learning enough, their jobs are at risk. This urgency is one of the reasons charters perform so well.

3. **Choice**. Since charters are free to develop innovative school designs, they offer parents a choice of different options for their children. Parents and children who actively choose a school tend to be more committed to it than those who are assigned. More important, not all children learn in the same ways; hence not all schools should teach in the same ways. Charters have pioneered dozens of alternatives to traditional schools. Consider Washington, D.C., which alone has Montessori charters, bilingual immersion charters in four languages, preschool charters, adult education charters, a charter that serves both adult immigrants and their young children, "expeditionary learning" charters, "blended learning" charters, intensely academic charters, a residential charter, alternative charters for at-risk teenagers, charters that emphasize public policy, law, arts, and science, technology, engineering and math (STEM), and many more.

Because charters educate only six percent of public school students, most people think of them as an innovation around the edges of the system. But in some cities, charters are becoming the system—either supplanting the traditional system or emerging as a parallel system beside it. Just as happened a century ago during the Progressive Era, reformers are building a system organized to better fit today's realities. Those who have gone the furthest have produced the most dramatic increases in student outcomes. Consider:

- In New Orleans, after Hurricane Katrina, the state moved all but 20 schools into its Recovery School District (RSD), which gradually turned them over to charters. Today only six non-charters remain, and 93 percent of public school students are in charters. This reform has spurred the fastest academic growth in the country, if not in American history. Before Katrina, in 2005, New Orleans ranked 67th out of 68 districts in Louisiana, itself one of the nation's lowest performers. Only 35 percent of students scored at grade level or above on standardized tests, about half dropped out, and less than one in five went on to college. By 2014, 62 percent scored at grade level, three quarters graduated, and 59 percent of graduates entered college. (For more on New Orleans, see *How New Orleans Made Charter Schools Work*.[9])

- In Washington, D.C., 45 percent of public school students are in charters. Two systems exist, side by side: a traditional system and a charter sector, overseen by a Public Charter School Board appointed by the mayor. Though the traditional system has improved rapidly since the mayor took control of it in 2007, charters continue to outpace it in test scores, graduation rates, college enrollments, and parental demand. Among low-income students, charters outperform traditional schools by a wide margin. Thanks to charters, in fact, low-income students in D.C. enroll in top-scoring elementary and middle schools at higher rates than their more advantaged peers. (For more on D.C. see *A Tale of Two Systems*.[10]) Together, the two sectors have made D.C. the fastest improving state on the National Assessment of Educational Progress—a nationwide test—for four years running.

- In a recent study of 50 cities, there were only two in which none of the schools in the bottom five percent of performance on state tests remained stuck there for three straight years in both math and reading. They were New Orleans and Memphis—where the state has copied Louisiana's strategy, creating its own version of the RSD and turning failing schools over to charters. Washington D.C. was one of two more cities that had no schools stuck in the bottom five percent for three years in math.[11]

To combat inequality by closing the achievement gap in public schools, in other words, our next president should encourage other cities and states to move toward the 21st century model being pioneered in New Orleans and Washington. His or her administration could do four things:

1. Enlarge federal financial support for charter schools, which on average receive 28 percent less funding per student than traditional public schools.[12]

2. Use a "Race to the Top" style competition to encourage school districts to expand their charter sectors, close failing schools, and replace them with charters.
3. Use a similar competition between states to encourage them to weed out charter authorizers that fail to close low-performing charters.
4. Use the presidential bully pulpit to educate the American people about the power of the emerging 21st century model.

Why Democrats Must Lead on Education Reform

As progressives, we urge Democratic presidential and Congressional candidates to embrace this new vision for organizing public education in the 21st century. Otherwise, they risk ceding the political initiative to conservatives who have their own strategy for K-12 reform: vouchers. Last year Nevada enacted the nation's first law creating almost universal access to vouchers (technically, education savings accounts, or ESAs). In Arizona, a similar bill has passed the Senate and the House Ways and Means Committee. And all Republican presidential candidates support expansion of vouchers.

Yet most voucher programs offer no guarantee of academic success, because private schools are not accountable to any public body and cannot be shut down if the students are not learning. Worse, vouchers undermine equal opportunity, because parents who can afford it add their own money to the voucher and buy more expensive educations for their children. A voucherized education market will stratify schools by income, far more than today. In a decade, the education market will look like the markets for houses, cars, and other private goods, with huge disparities based on wealth.

Equal opportunity for all is a core value of public education—one of the reasons we treat it as a public good. Since 1987, the Pew Charitable Trusts has regularly asked Americans how many agreed with the statement: "Our society should do what is necessary to make sure that everyone has an equal opportunity to succeed." The lowest rate of agreement, through 2012, has been 86 percent.[13]

Despite this support, equal opportunity is difficult to achieve in America, where incomes and neighborhoods are vastly unequal. Vouchers would destroy any hope of it. Mixing of students from different income groups—something essential to the healthy functioning of a multi-racial, multi-cultural democracy—would disappear.

If Democratic leaders fail to offer their own bold reforms, Republicans will pass voucher bills in state after state. The 21st century model offers a third way that every progressive ought to support: decentralization, choice, and competition, but within a framework of equal opportunity and accountability for performance.

Endnotes

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[13] Pew Research Center, "American Values Survey, Question Database," http://www.people-press.org/values-questions/q40c/society-should-ensure-all-equal-opportunity-to-succeed/#total.

About the Authors

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