



Reinventing
the Kansas
K-12 school system
to
engage more children
in productive learning

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Executive Summary

In 1989, longtime American Federation of Teachers President Albert Shanker said, “It’s time to admit that public education operates like a planned economy, a bureaucratic system in which everybody’s role is spelled out in advance, and there are few incentives for innovation and productivity. It is no surprise that our school system doesn’t improve. It more resembles the communist economy than our own market economy.”¹ But in the 28 years since the first of three authoritative ‘Nation at Risk’ declarations,² and the 22 years since Shanker’s correct diagnosis, no state has replaced the current compliance-driven recipe for disaster with a genuine business plan; something that credibly connects desired outcomes to predictable behavior.

Real business plans focus on outcomes, align responsibility and control with incentives, and recognize that specialization and creativity are central to how professionals serve a diverse clientele. Kansas should lead the way in recognizing and correcting the systemic obstacles to the student-teacher-content connections that yield intellectual growth. When the connection occurs, it is engagement in learning. It doesn’t occur nearly enough. The public school system approach to intellectual growth, having evolved piecemeal from decades of federal, state, and local collective decision making (politics), undermines and discourages pursuit of engagement in learning. Given the persistent, systemic impediments to student engagement in learning, it is amazing how many teachers succeed at high rates. The critical point is that not nearly enough teachers and students succeed at what is a huge challenge under the best of circumstances; made especially difficult by the current system in Kansas and everywhere else in the U.S.

Our focus is on Kansas, but our analyses and recommendations apply to every state. U.S. school systems largely fail to engage children in learning. The U.S. systems perform so badly that blue ribbon commissions and others periodically describe the U.S. as a ‘Nation at Risk.’ So, Kansas should not take much comfort in the high ranking of its 4th and 8th graders. Yes, it is even worse elsewhere, but [paraphrasing a former Assistant Secretary of Education] the best states are at the top of the cellar stairs. And the end results, high school

graduates and drop-outs, are the most appalling. Numerous attempts at reform, in Kansas and elsewhere, including large, real per pupil funding increases, have not seriously addressed the reasons why the current K-12 system fails to engage the vast majority of children in learning, and thus the unacceptable schooling outcomes persist.

The diversity of educator skills, diversity in what topics interest children, and diversity in how children learn, mandates a school system that fosters specialization by educators, and a process to match specialized instructional approaches to the children that will benefit the most from them. Therefore, Kansas should adopt policies that:

- greatly expand school choice, and for meaningful choice;
- foster a dynamic, diverse menu of schooling options.

Address-based assignment of children (attendance areas) to schools with specialized thematic or pedagogical approaches will yield disastrous academic mismatches and a political outcry, so specialized schools are viable only with ‘school choice.’ Note that this argument for school choice expansion does not rely on claims about the virtues of free enterprise or markets. Those are controversial claims, and some school choice policies do little to harness free enterprise.

There are four well known, but widely misunderstood policy approaches to the school choice expansion prerequisite for more widespread engagement in learning.

1. Public school choice can yield some specialization and address some fears about school choice expansion, but current knowledge suggests that public school choice is only a quarter-horse (can’t go far) in the quest for a high performing K-12 school system.
2. Charter law as it exists in the most charter school friendly states is another quarter horse, but price decontrol and provision for mission-based selective admissions can transform the charter law policy innovation as it stands in 2011 into the school system reform thoroughbred Kansas needs. The current Kansas charter law is not charter-friendly.

3. A universal tuition voucher program, funded at approximately the same per pupil level as Kansas public schools, can foster the development of the diverse menu of schooling options if it avoids price control by allowing family co-payment of tuition. It can be phased in, or tested as a pilot in a particularly desperate metro area of Kansas.
4. Tuition tax credits can foster the development of the diverse menu of schooling options provided that the per pupil tax credit amount is reasonably competitive with the funding of traditional public schools (TPS).

School choice is not about creating better learning opportunities for just those who choose an alternative but for all children, including those who stay in the TPS. In fact, a relatively small percentage of those eligible actually opt for something other than the TPS; but choice creates competition for the TPS, which fosters innovation within the TPS, and creates more teachable TPS classes by removing children that were not succeeding there, and thus benefits all children. For Kansas policymakers, it comes down to this:

- Children learn little when not engaged in the schooling process.
- It will take a diverse menu of instructional approaches to engage Kansas' highly diverse student population; something that experience shows cannot be delivered in mega everything-for-everyone 'comprehensive' schools.
- Just based on the obvious diversity of children and educators, a policy facilitating family choice from a diverse, dynamic menu of small, specialized schools is an essential element of a high performing school system.
- Genuine family choice can be initiated with much expanded public school choice.
- Ultimately, to ensure that a high performing schooling option addresses every major set of thematic interests and learning styles, we'll need a charter school, tuition voucher, or tuition tax credit policy that leverages price signals and entrepreneurial initiative.

Introduction

Predominant past approaches to school system improvement – prescriptive policies aimed at raising standards, including use of high-stakes testing, more stringent teacher qualification requirements, promises of increased political-administrative accountability, and drastic per-pupil spending hikes – have only minimally improved student attainment levels in Kansas and nationwide (see Appendix A). Sadly, those well-worn, failed policy approaches almost totally overlook the key basic imperative of widespread student engagement as the key to a productive transformation of Kansas' current K-12 system. Despite decades of national and state reform frenzy, public school systems in Kansas and across the U.S. still contain most of the debilitating elements that diminish student engagement and therefore hinder every effort to greatly increase student achievement levels.

The Kansas and U.S. 'Nation at Risk'³ K-12 education outcomes clearly tell us that far too many children remain confused, overwhelmed, or bored. Note especially that the ineffectiveness of U.S. school systems is not a low income or urban problem. Certainly, the problems are the worst in urban schools attended by the poor, but the basic problems of under-performance and sinking productivity⁴ are system-wide problems with scattered exceptions widely described as someone succeeding against incredible odds.⁵ The agents of those isolated success stories are typically unable to

sustain, much less spread and replicate, the basis for their shining examples of high performing schools, and even occasionally, entire school systems.

In order to sustainably improve whole school systems, we need policies that foster student-teacher-content connections across the full spectrum of student diversity. That will require reforms that foster school diversity in a way that harnesses the differences in the talents and passions of educators to address the differences in school-age children. Given our bad experience with the prevailing large comprehensive schools approach to student diversity, we know that the needed connections – engagement – will continue to be unacceptably rare until it is possible to decide a child's school through family choice from a diverse menu of instructional approaches, irrespective of their home address. And a diverse menu of schooling options is not meaningful to most families without a substantial financial leveling of the playing field between the different actual *and potential* schooling options, public and private.

Several available policy options can establish the appropriate level of school choice for Kansas, including universal tuition vouchers, corporate and individual tuition tax credit options, and a much-improved charter school law. Open enrollment within the public schools and additional magnet schools are options that can be good first steps, and part of a larger scale, overall transformation.

The Kansas Situation

A. Rising Costs of Education; Declining Productivity

Kansas has seen its per-pupil expenditures rise by eighty-five percent between 1998 and 2009, going from \$6,828 to \$12,660. Total aid to Kansas public schools increased by \$2.6 billion over that period, rising from \$3.06 billion to \$5.66 billion.⁶ The National Assessment of Educational Progress (NAEP) 2009 Kansas profile, which is considered more reliable and less biased than state assessment data,⁷ shows there has been virtually no improvement in over a decade.⁸

There is no compelling evidence that increased spending was responsible for any gains, and the

gains don't even begin to approach the scale of the concurrent per-pupil, inflation-adjusted (real) public funding increases. Indeed, in rejecting Kansas' Race to the Top application, one reviewer for the U.S. Department of Education said "The state's school funding formula was reformed in 2005 but there is no evidence that this was related to, or resulted in increasing student achievement or graduation rates, narrowed achievement gaps, or resulted in other important outcomes."⁹ That means the Kansas K-12 school system suffered drastic productivity losses.¹⁰ Yet, sinking productivity did not stop school districts across the state from suing the state last year claiming inadequate funding.¹¹

Increasing K-12 funding is a widely recycled, failed approach to improved student achievement. There has not been a strong connection between spending levels and student achievement anywhere in the U.S.¹² According to 2007 NAEP data - the only nationally representative sample of what students know in various subjects - states with some of the lowest levels of per-pupil funding were able to reach similar, appallingly low achievement levels as states with the highest levels of per-pupil funding.¹³ Furthermore, many countries spend less per-pupil than many U.S. states, but still out-perform the U.S. on prominent international assessments (see Appendix A).¹⁴

B. Additional Specific NAEP Results

Kansas' failure to post significant gains in the last ten years, means that a large share of Kansas students still perform "below basic," a term that the NAEP defines as "non-mastery of fundamental skills."¹⁵ That's a key reason why an end to the policy of more-of-the-same-harder – recycling policy change with a track record of costly disappointment – is long overdue. Kansas is not getting nearly enough for its massive investment in K-12 schooling, and countless thousands of Kansas adults lack the basic skills¹⁶ required to realize the high earnings available in the modern economy.

The 2009 NAEP profile shows that Kansas' 4th or 8th grade students achievement levels have, at best, improved only slightly over the past decade, and a large percentage of students are still attaining "below basic" levels of literacy and numeracy. For example, in 2000, 24% of Kansas 4th grade students scored below basic on the NAEP math assessment, dropping to 11% in 2009. In 2000, 24% of Kansas 8th grade students scored below basic on the NAEP math assessment, dropping only slightly to 21% in 2009. In 1998, 30% of

Kansas 4th grade students scored below basic on the NAEP reading assessment, dropping to 28% in 2007. In 1998, the percentage of 8th grade students scoring below basic on the reading assessment was 19%, which actually rose to 20% in 2009.¹⁷

As can be seen in the statistics, overall gains on the NAEP for

4th and 8th grade Kansas students have been minimal, and except for the one bright spot for 4th grade NAEP math scores, achievement levels have not improved much; certainly not in proportion with increased state funding levels. There is no basis for Kansas to take comfort in the fact that their 4th and 8th grade students rank among the top in the nation. Performance in the top ranked U.S. state is still appalling. Paraphrasing a former Assistant Secretary of Education, the best states are at the top of the cellar stairs. For example, Massachusetts has the highest proficiency level for 4th grade at 47% (2009 NAEP); the national average is 32% and Kansas is 35%. Rick Hess' new book about the need for systemic transformation notes that the problem persists at the district level: "acclaimed districts are impressive only relative to their peers."¹⁸

C. ACT Scores

The minimal student achievement gains since *Montoy vs. Kansas* include stagnant scores on the ACT College Entrance Exam. The share of students considered college ready when they graduate from high school, closely relates to the effectiveness of the school system. The 2009 American College Testing (ACT) statistics found that out of the 23,147 Kansas high school graduates (roughly 76% of all graduates) tested, the share considered ready for college course work was 74% in English, 60% in reading, 48% in math, and 33% in science. Overall, only 26% were ready for college-level course work in all four major sections covered. Furthermore, the percentages of Kansas graduates considered college ready by the ACT for math, science and reading had only improved 2% for each subject since 2005, further demonstrating the inefficiencies of the current public education system,¹⁹ and the high level of failure to engage.

Table 1: NAEP Average Scale Scores for Kansas
(Scale = 0 to 500)

Kansas Students	1998	2000	2009	% Change
Reading – 4th grade	221		224	1.4%
Reading – 8th grade	268		267	-0.4%
Math – 4th grade		232	245	5.6%
Math – 8th grade		283	289	2.1%

Source: U.S. Dept. of Education, National Assessment of Educational Progress (NAEP); Kansas did not participate in the 2000 Readings exams or the 1998 Math exams.

Why So Little Learning Is Occurring

Multiple systemic flaws prevent many students from achieving acceptable academic progress, and unless we address those flaws, reform efforts will continue to yield disappointing results. Attendance zone requirements, grouping students by age, the single salary schedule for teachers, textbooks and curricula cleansed of controversial material, comprehensive uniformity of schools, lack of incentives to innovate, and minimal client/parent/student-based bottom up accountability are behind the school system's failure to successfully engage the full range of student interests and abilities. Those obstacles to engagement in learning undermine the co-production process that is unique to the education industry. Typically, service recipients don't assist in production of the service, but in education they do. Intellectual growth occurs only with the active cooperation of the clients, the students.

The importance of engagement to student outcomes has been extensively documented,²⁰ and the motivation to learn, which is a key part of being engaged in school, is a proven key element of the learning process at all age levels.²¹ Keeping students engaged has been proven to help students learn material more quickly, allow them to retain information longer, keep them out of trouble, and reduce dropout rates.²² Yet, numerous studies have found that a very large share of U.S. public school students are not engaged in their school work²³ (see Appendix A); something that varies considerably between minority and white students and intensifies as students move from primary to secondary school.²⁴ The failure of past education reform efforts to address the fundamental importance of increased student engagement is clearly evident in the fact that 40 to 60 percent of students (suburban, urban, and rural schools) were considered disengaged in a 2005 survey,²⁵ excluding the amount that had already dropped out of school.²⁶

A. Classrooms Usually Contain Too Much Subject Interest and Learning Style Diversity

Attendance Zones

The assignment of students to a school according to their home address has wide implications that hinder student engagement. While students living within public school attendance zones are often

homogeneous in terms of socio-economic status and ethnic makeup, the students themselves still have very different goals, subject interests,²⁷ and learning style factors²⁸ that influence and motivate how they learn best. In the subject interest and learning style diverse classrooms that result from assignment by residence and mainstreaming of special needs children, the material will seem too difficult to some or confusing because they can't learn it via the prevailing pedagogy. "The general consensus is that it doesn't work having all these kids together. For classroom teachers, the challenges can be enormous."²⁹

Large disparities in student intellect within individual classrooms cause many teachers to lower their standards so that the majority of their students can 'succeed' but then many under-achieve (or worse; disrupt or drop out) because of boredom.³⁰ The large differences between students within attendance zones create an impossible teaching task; namely find a uniform process to address diverse instructional needs. There are no "best practices" for a highly diverse student group. "Watering down" practices appear to be especially debilitating in inner city schools,³¹ where most students perform below grade level on essential subjects.³²

An analogy of how attendance zones impede public schools from providing the instruction each child needs is a restaurant that *must* cater to the diverse tastes of the general public, precluding tailoring of their menu to any great extent.³³ Such a restaurant would have a poorly executed, huge menu. Or it would lack specialized menu choices, for example lacking cuisine items with narrow country/ethnic appeal, choosing rather to provide choices the vast majority of their customers will accept. Lack of specialization excludes the preferred culinary preferences of many diners, and likewise the schooling elements essential to maximum progress of many children, perhaps the vast majority. Attendance zones force each public school to address the instructional needs of students with widely different educational aspirations, goals, interests and ways in which they learn best. Lack of diverse schooling choices that could tailor instruction to different sets of student preferences causes the majority of students to become

disengaged. Teachers cannot connect with many students at an individual level.³⁴

Furthermore, the inability of public schools to tailor their services to meet the unique needs of their students causes schools prone to ineffective, shallow, one-size-fits-all teaching methods and curricula. The educational mismatches and high level of disengagement found in public schools also causes teachers and school officials to come into conflict with parents and each other,³⁵ especially in large urban district schools where the interests and desires, and advantages and handicaps, of students are especially diverse.

While large, comprehensively uniform, “shopping mall high schools”³⁶ are an attempt to address the challenges of student diversity, such mega-schools have done a poor job of creating a sense of community and a distinct purpose and identity needed to engage students in their academic pursuits.³⁷ Also, because they lack a coherent mission, “comprehensively uniform”³⁸ mega-schools are hard to manage,³⁹ and vulnerable to fraud.⁴⁰ The ability of the typical U.S. private school to provide a sense of community and purpose has been found to be a major reason why the majority of their students surpass their public school counterparts on state and national examinations each year,⁴¹ have lower achievement gaps between minority and white students,⁴² and have a higher percentage of students that go to college.⁴³ Yet, a study found that classroom composition was even more of a determining factor for increased student test scores and satisfaction in private schools, than the sense of community small schools tend to achieve.⁴⁴ The effects of classroom composition were found to be magnified after the 5th grade, when students rather than teachers set the pace for academic achievement.⁴⁵

Next we examine how grouping students by age instead of by their ability to perform in each subject area compounds the challenges that result from grouping children by residence in a particular attendance area.

Age Grouping

Students typically have natural tendencies to perform better on certain subjects than others. So, grouping students by age instead of by their subject-specific abilities, adds to the problem of too

much subject interest and learning style diversity in public school classrooms. It’s another reason that students at higher achievement levels are prone to lose interest,⁴⁶ while students at lower achievement levels may feel overwhelmed.⁴⁷ It is well known that age is not a key determinant of the proper level and pace of instruction.⁴⁸ Assuming that a students’ current grade level equivalents should be based on their age, is similar to having the shoe or clothing industry assign all students of a certain age the same clothing or shoe size.⁴⁹ Individuals’ clothing and shoe size varies greatly within each grade level, so it will therefore seem absurd to assign any type of uniform product to students. Yet, such is the case in the current public school system. It provides non-special needs students, regardless of learning style issues, pedagogical interests, or learning style preferences, identical instruction based on their age. Grouping students **by specific subject** interest and ability (which is NOT ‘tracking’), instead of by age, would greatly enhance student engagement and academic achievement.⁵⁰

B. Poorly Trained Teachers, Including Lack of Proper Incentives and Out-of-Field Teaching

The key culprits are the weak incentives to discern and reject credentialed, but poorly trained teachers,⁵¹ and the ‘single salary’ schedule for teachers.⁵² The salary inflexibility creates site- and subject-specific teacher shortages, and out of field teaching. Single salary schedules (“uniform” schedules) are widespread throughout the public school system, and are the norm even in states that lack collective bargaining between teacher unions and school districts. The terms ‘uniform’ and ‘single’ arise from the fact that teachers within a district, with the same number of years of experience and/or educational attainment levels, receive the same base salary. Yet, neither a teacher’s years of experience, nor their level of education, have been found to be strong indicators of student performance;⁵³ critical since there are no other factors that impact teachers’ base salary.

The public school system provides few monetary incentives for outstanding teachers to remain in the classroom. Their pay is usually identical to less productive teachers in the same school; a fact that is also insulting and demoralizing, especially when a colleague is clearly much less effective than they

are. Such circumstances undermine efforts to attract and retain high quality teachers.⁵⁴ Public schools' inability to maintain quality teachers, is evident in the fact that teachers with higher than average ACT scores – a characteristic found to be good determinate of future teacher success – have been found to have higher turnover rates than teachers with lower than average ACT scores.⁵⁵ Furthermore, only low ability teachers felt that they could achieve successful career progression with a single salary schedule.⁵⁶

Since improved performance does not lead to a higher salary or benefits, a uniform pay schedule also provides no monetary incentive for teachers to improve themselves.⁵⁷ The result is a lack of innovation in public school systems around the country, which leads to stagnant, low levels of performance and reduced ability to cut school costs through improved teacher performance. And typically, the byproduct of reduced efficiency is lower overall wages throughout the industry.⁵⁸ Indeed, such has been the case for public school teachers, as they have seen their salaries fall in comparison to similar professions since the mid 20th century.⁵⁹

Another result of uniform salary schedules, and one of particular relevance to the central problem of epidemic student disengagement in learning, is that there are often large shortages of qualified teachers in key fields such as math and science,⁶⁰ areas of specialization where private sector companies have the ability to offer quite lucrative salaries. Unable to hire enough teachers with math and science training, schools staff classrooms with teachers lacking the appropriate strong subject matter knowledge. Indeed, only 61% of math and 71% of science teachers, nationally, majored in their field of teaching.⁶¹

About 31% of all secondary schools had serious problems hiring mathematics, life sciences, or physical sciences teachers.⁶² With widespread, low-quality out-of-field teaching, we compound the negative effects of low quality textbooks, and thus end up with less interesting and challenging curricula, and staleness in the classroom; all of which ultimately further reduces the number of engaged students.

So, the problem that uniform pay schedules create is less likely to be an overall shortage of teachers, and more likely a problem of incentive, quality,

equity, and distribution.⁶³ More experienced teachers are much more likely to be found in suburban school districts, where base salary rates are higher, and job stress is lower. And inner city schools that have the most urgent need for engaging teachers have higher than average teacher turnover rates, resulting in less experienced teachers for students most in need of quality teachers.⁶⁴

C. Distortive/Weak Top-Down Accountability

Accountability in K-12 education can come from two main sources: accountability to government officials (top-down accountability), and accountability to clients (bottom-up accountability), where families comprehensively judge the value of the school's attributes to them.⁶⁵ Top-down accountability assesses schools on the basis of criteria specified by law or by less formal expectations of state officials and local school boards. Bottom-up accountability in the private sector forces corporations to address all possible customer concerns, even the ones that are hard to quantify into objective performance measures. Since public schools do not receive funding directly from their customers, and instead receive government financing mostly as a function of the number of students assigned to their schools, consumer accountability is minimal in the public school system.

The public school focus on the specific standards set by national, state, and local government entities has led to a strong emphasis on the specifics of the official accountability measures (i.e. 'teaching to tests' that are the basis of school assessments), which has greatly narrowed curricula to tested items and to lessons aimed at standardized test preparation.⁶⁶ For example, there is greater emphasis on math and reading test questions, and much less coverage of untested subjects like history and social studies.⁶⁷ Teaching to a test and dumping large chunks of the curriculum is not conducive to engaging children in well-rounded, productive learning. And because of the disengagement factors discussed above and below, the extra time on tested subjects has produced only modest measurable gains, while creating even greater dissonance in the neglected critical areas supposedly at the core of the justification for public schooling; for example, social cohesion through

an understanding and shared commitment to American values and governance traditions.

And top-down accountability has been weak. While the 2002 federal No Child Left Behind (NCLB) law and much new state legislation implores schools to meet certain standards (i.e. have a certain percentage of students achieve proficient or above on state assessments, achieve high graduation and attendance rates, etc.), school system personnel face few if any major repercussions when they fail to meet their objectives; something evident from the high number of low performing schools that continue to operate year after year.⁶⁸

Because bottom-up accountability to families is inherently comprehensive, though subjective (informed by accessible data and personal observation), it can transform the current, largely stagnant and resistant-to-change system into one that creates student-teacher-content connections infused with relentless improvement. Without the informed and motivated scrutiny of parents, there is little motivation to remove ineffective educators, improve services, or reduce costs. Government oversight demanding improvement, or the threat of a series of events that could end with closure, has failed to produce the type of continuous improvement necessary to turn around failing schools.⁶⁹ Bottom-up accountability, in contrast, can produce continuous improvement in all aspects of their services.⁷⁰ Such accountability is 'real;' something that is often not the case when public school performance falls short of prescribed milestones.

D. Teacher Micro-Management and De-Professionalization / Teacher-Proof Curricula

Growing frustration with low performance and difficulty creating appropriate incentives has led to teacher bashing,⁷¹ and lacking appropriate incentives, a perverse determination to force ineffective teachers to be successful. In school districts across the country, regulations and oversight by state and local officials have drastically limited the autonomy teachers have in preparing their own lessons. In many cases, teachers must follow a timetable and strict guidelines and for what, when, and in some cases how they should teach their students.⁷² Such drastic measures allow for little discretion to adapt unique teaching abilities to their particular mix of students. That,

and demoralization of teachers, inevitably stifles engagement and innovation in the classroom. Teachers often can do little more than follow a structured outline of what they must teach, and then they are scolded when their students do not succeed.

Teacher resistance to micro-management and discomfort with imposed practices – specifying **how** they should do their jobs – further undermines teacher commitment to engage their students in learning. The insulting and demoralizing micro-management process also contributes to teacher burnout.⁷³ The inability to control the design and delivery of content underutilizes the unique strengths of each school's staff.⁷⁴ Lack of student engagement is the result of students being forced to learn material in ways that are not conducive to their teachers' talents or the personal learning characteristics of the students themselves.

E. Lack of Public School Autonomy

Public school principals typically lack key management prerogatives. They usually control only a small part of their school's overall budget, and frequently lack the authority to make personnel decisions, or the ability to financially reward top performing teachers.⁷⁵ A survey of 853 public school superintendents, and 909 public school principals found that lack of autonomy in public schools was a major impediment to school management. According to the report, a large majority (69%) of superintendents said school boards interfere with their jobs, and 81% said politics and bureaucracy are the main reasons superintendents leave their jobs. Furthermore, 71% and 67% of superintendents and principals, respectively, wanted more authority to remove ineffective teachers, and 76% and 67%, respectively, wanted the ability to reward outstanding teachers. Furthermore, 92% of superintendents and 89% of principals said that it would either be somewhat helpful or be very helpful to provide them with much more autonomy in running their schools and hold them accountable for results.⁷⁶

Decentralization of public school management allows principals greater opportunity to implement reform efforts and make the staff changes necessary to turn failing schools around.⁷⁷ When school administrators are given more control over their

budgets and the decision making process, they are better able to utilize the strengths of their staff and create innovative solutions to their specific education challenges.⁷⁸ School principals' and district superintendents' lack of autonomy is one reason why the current public education system does not meet the specific needs of the majority

of their cliental (parents and students), and fails to implement many potentially innovative improvements. There has been much discussion of decentralization and site-based management, and some limited applications, but little widespread, meaningful change.

Past Reform Attempts Didn't Address the Issues Described Above

The last 28 to 54 years (since the 1983 'Nation at Risk' or the 1957 Sputnik 'scare') has been a period of reform frenzy and reform failure. Failure, because the predominant reform efforts (increased top-down accountability, higher standards, and increased funding) did not address the issues described above.⁷⁹ The system's significant barriers to engagement in learning remained intact. Some reform efforts made them worse.

A. More Money Syndrome

Inflation-adjusted per-pupil expenditures have risen rapidly over the past two decades throughout Kansas and the nation, with little to show for it in the measured areas, despite a sharp narrowing of the curriculum to focus specifically on the tested items. As noted earlier, per-pupil spending in Kansas rose 85 percent between 1998 and 2009; the Consumer Price Index for Midwest Urban Cities rose just 28%.⁸⁰

An especially glaring example of the failure of larger budgets to fix the public school system is the Kansas City, Missouri desegregation-driven reform effort that followed a 1985 court decision. The court decision ordered the Missouri Legislature to spend over two billion dollars over a twelve-year period in order to improve facilities and promote desegregation of the Kansas City, Missouri School District. Per-pupil costs rose to an astronomical \$11,700 in 1985; equal to \$23,237 in 2009 dollars, which was roughly twice the national average. The increased public school funding helped lower student-teacher ratios below 13:1 – the lowest in any major school district at the time – and pay for a twenty-five acre wildlife sanctuary, a new robotics lab, and numerous other amenities.

At the end of the twelve-year experiment, test scores for students in the district had not risen, achievement gaps between minorities and whites had not fallen, and integration had failed to occur.⁸¹

Families continued to flee the low-performing Kansas City schools so that there have been major recent school closures and lay-offs. More money for a poorly conceived schooling strategy is the folly and creeping apocalypse aptly described, 'Nation at Risk.' Wishful thinking, hope triumphing over experience, and resource misallocation are cornerstones of societal decline.

The problem with that reform approach, and virtually all others around the U.S. ('more-of-the-same-harder'), is the continued lack of focus on how to successfully engage students in their class work. Additional money did not eliminate debilitating practices like assignment to schools according to home address and to classrooms according to age. These are still near universal practices. Most students are still in classrooms that are very diverse in terms of students' interests, abilities, and learning styles, with too little ethnic and racial diversity. Under-motivated, out-of-field, and burned out teachers are still commonplace. Educators still lack the autonomy to decide how to do their jobs, they still lack proper direct accountability to their clients, and there is still little incentive for schools, teachers, or principals to innovate.

B. Smaller Class Sizes

Lower student-teacher ratios have been a key funding priority. It is enormously expensive, and it has a poor track record.⁸² The average U.S. class size fell steadily from 22.6 in the 1970s to 16.2 in 2002;⁸³ a time of sharp decline in academic performance, followed by the recent leveling off in scores as more time has been spent on the core tested items and test preparation. At the same time, school size rose even though smaller schools have been shown to improve student achievement.⁸⁴

California launched a voluntary classroom size reduction program (CSR) in 1996, with an annual

cost topping \$1 billion. It lowered K-3 class size levels from a state average of 30 to a maximum of 20. In a three year period, 98.5% of eligible school districts were participating in the program. Despite the fanfare, and the belief that smaller class sizes will help raise student test scores, CSR was credited with only minimally improving student results.⁸⁵ Today California K-12 system has one of the lowest rankings in the country.

Tennessee launched a class-size reduction experiment⁸⁶ and documented some gains for younger children and for disadvantaged children. While the reliability of the results have been questioned – for example, the teachers with the smaller classes knew they were part of a major study that would influence policy – the main point of the mixed results is the importance of experimentation and selective applications of changed policies, especially one as expensive as class size reduction. Furthermore, given the high cost of academic gains through untargeted class size reduction, cost effectiveness is a major issue. Rivkin, Hanushek, and Kain⁸⁷ showed that a less costly teacher improvement policy would yield far larger academic achievement gains. No doubt, for some children studying some subjects, a class size reduction would be worth the cost, but an untargeted, across-the-board reduction in class size is worse than foolish. On a level playing field of diverse schooling options, school entrepreneurs can improve outcomes through class size experimentation that would determine the specific circumstance in which smaller classes make sense in a competitive environment; that is, when class size reduction is desirable in light of the trade-offs.

C. Higher Standards and Increased Top-Down Accountability

We have already dealt with many of the problems of the standards/accountability reform de jour; for example, narrowing of curricula to tested subjects and test-taking skills, and failure to deal with the current system's barriers to student engagement and student accountability.⁸⁸ But, before laying out our recommendations for moving forward, we want to deal directly with the fundamental pros and cons of the latest round of frenzied federal response to the previous round of reform failure. Note that the increased attention to school policy at the state and federal levels is that political arenas in which individuals have less voice can do what local political arenas could not. And, "it is not clear how the problems of the local political arena can be solved by moving authority and control up to an even larger political arena."⁸⁹

The driving force of the current round is the federal No Child Left Behind (NCLB) law, which is to a great extent a more-of-the-same-harder version of the failed 'Goals 2000' (1994 law whose assorted preambles amount to 'Nation at Risk' III). We welcome NCLB's openness to school choice expansion – albeit only among relatively uniform traditional public schools – and the additional data that calls attention to the system's failure to move forward much since the original, 1983 'Nation at Risk' declaration. We deplore the NCLB premise that what the low-performing U.S. system needed was clearer definitions of success and qualified educators, and the appearance of more pressure⁹⁰ to comply with those edicts.

Solution: Diverse, Dynamic Menu of Schooling Options

Despite the well-established reputation of site specialization and division of labor as a fundamental element of high and steadily rising productivity,⁹¹ "comprehensive uniformity"⁹² is a fundamental tenet of the public school system.⁹³ The mega-school approach that provides specialized instruction and customization within giant, "shopping mall" schools is a failed strategy that fosters fraud⁹⁴ and creates school management problems that go beyond the persistent inability to engage the majority in learning.⁹⁵ We need specialization by

schools, not "internal choice"⁹⁶ within mega-schools. Widespread access to a menu of schooling options as diverse as the learning interests and learning styles of the student population will address and probably largely eliminate the disengagement problems of the current system. Though large urban areas are best able to benefit from specialization, and most in need of the benefits of specialization, recent, major improvements in technology⁹⁷ can provide many benefits of specialization – a diverse menu of schooling options – even to rural Kansas.

A. Increased Engagement Through Matching Students and Educators

In a school system with a diverse menu of schooling options, children can end up in schools with peers that have similar subject interests and/or learning styles; probably more of the latter for younger children, and greater thematic diversity for older children. Peer effects are known to be quite important,⁹⁸ so surrounding children with students with similar interests and learning styles is a quite significant aspect of a system of diverse approaches to schooling.

Experience with magnet schools – a schooling strategy that exploits the engagement promised by specialization to achieve integration goals – provides a small, but hopefully compelling hint of the potential benefits of appropriate specialization available to everyone; a system-wide norm rather than an exception offered through magnet or through charter schools that are not widely available in Kansas because of Kansas' very "weak" charter law;⁹⁹ so weak that the Kansas charter law functionally exists in name only.

When each school has a focused mission they attract the educators with specific talent and passion for that school's instructional approaches. The appropriate matching process between educator talent and passion and student interest and aptitude that we describe below can also lessen the friction between parents and teachers; something found to be a major cause of costly teacher burnout.¹⁰⁰

B. Fiscal Benefits

Specialization by schools, rather than costly specialization within large schools, will make schools much more manageable,¹⁰¹ which can help reduce overall costs.¹⁰² Beyond the oversight issues emphasized by Lydia Segal's insights about the school system factors that facilitate fraud,¹⁰³ specialization can save money by eliminating duplication of services. For example, matching specialized instructional approaches to the students that want or need them the most permits the elimination of many non-core subjects at each school. Freed of its attendance area, each school need no longer offer a wide menu of course offerings. In addition, incentives for schools to

become more efficient to remain competitive will likely cause K-12 spending to rise more slowly than is the case in the current system.

Heavily subsidized, large enterprises like the public school system, with its monopoly on public financing, have the ability to raise their costs substantially above their minimum operating levels without necessarily providing quality services; a buffer against change that *truly competing*¹⁰⁴ schools would not possess. Empowering parents to choose a schooling provider through increased choice will curb the monopoly power the K-12 public school system currently possesses and allow more efficient and effective producers to gain market share.

C. Smaller Schools

Widespread opportunity to specialize will lower average school size, which will make schools more numerous, and when working initially through existing large school facilities create some 'schools within schools.' Studies show that there are many benefits to smaller schools,¹⁰⁵ and each benefit is amplified for the disadvantaged students that need them the most.¹⁰⁶ As specialization takes place, schools focusing on different pedagogical approaches and specific subject matter such as sports, law, health, or engineering are likely to emerge.

Alienation effects are major drawbacks of large schools.¹⁰⁷ Smaller, more specialized schools enhance the community feel of schools by enabling teachers, school administrators, and parents to play a greater, more personal role in the education of their students.¹⁰⁸ Students that do not currently fit in the current public school system can find a niche school that works with their natural talents and abilities, rather than against their shortcomings.

The rise in the number of schools will also offset the transportation cost implications of matching children interest/ability to school mission.¹⁰⁹ While the net transportation cost effects of residential choice and school specialization are unknown, transportation costs are likely to be larger for families with several school age children enrolled in different schools.

Full Utilization of Specialization Requires School Choice and Market-Determined Price Signals

A. Basic Rationale

Use of attendance zones – assignment of children to schools according to home address – mandates an unspecialized school in every neighborhood (“comprehensive uniformity”¹¹⁰). School zoning forces each school to address every major educational preference its official neighborhood might contain,¹¹¹ or at least appear to do so. Zoning precludes noteworthy specialization. Therefore, implementation and full exploitation of the needed diverse menu of schooling options requires school choice; meaningful choice, which means opportunities for schools to differ significantly through low barriers to new schooling approaches and a non-discriminatory subsidy policy. The latter means that government funding must not greatly favor particular providers of schooling; for example, that the taxpayer support available to a particular child does not depend upon whether his/her teachers are school district employees. We cannot assign children to specialized schools, either according to their address or through school district administrator choice. Both would perpetuate the disengagement problem we have now, while likely creating a political outcry that would quickly terminate the policy.

An example will help convey the potential significance of specialization, and the incompatibility of specialized schooling options and assigning children to schools based on proximity. Through nationwide public school choice, New Zealand fosters some school specialization. One New Zealand school has a sports theme not limited to its physical education courses. The sports theme pervades most aspects of the school. Math and basic statistics are taught through computation of sports statistics like batting averages and field goal percentages. English is taught by reading about sports and writing imaginary articles for the sports section of a newspaper. That approach generates excitement/engagement among children that are sports enthusiasts, but the opposite from children that are not. The school increases and accelerates learning by students whose families choose it for them. But you cannot justify assigning a child to such a school because it

is the closest school. Creating attendance zones for specialized schools will yield numerous student theme and pedagogy interest mismatches that will produce howls of protest that will either end assignment to schools or eliminate sports enthusiasts’ chances to learn their academics with a sports twist.

What can we do to be certain that the diverse menu of schooling options matches the type of diversity that exists within the student population? In most of the economy’s private sector, changes in market-determined prices signal the most valuable uses of resources; that is, price change signals which goods and services are most important to buyers. So, for example, suppose the aforementioned sports theme school receives more applications than it has space. With the current constraint that schooling be ‘free,’ there will be shortages (wait lists), with little or no monetary incentive to eliminate the shortage by shifting resources from other types of schooling, much less the additional revenue necessary to finance the re-allocation process.

But if the hypothetical sports theme school has permission to seek a tuition levy on top of whatever public funds arrive with each student, the school can react to its popularity by raising its tuition rate to the level necessary to balance the number of applicants against the number of openings. The Kansas Constitution, specifically in Art. 6, §6 (b), permits such tuition add-ons, but requires them to be authorized by law. Legal permission to charge tuition add-ons provides the wherewithal to expand the school, or build another, and the price level needed to balance supply and demand.¹¹² In due time, the expansion of supply-increased competition will drive tuition rates down to the level actually required to deliver that instructional approach. Ravitch’s examples of haphazard “boutique” school creation illustrate the importance of price signals to the school design/formation process.¹¹³

Note that inability to charge tuition on top of government funding may prevent even the development of innovative instructional approaches (they never get off the drawing board) that initially cost more than the per-pupil subsidy, even though

competition and experience might eventually bring the cost down to where the government subsidy covers the full cost, or nearly so. That has been the experience with Florida's McKay Special Needs voucher program and in Chile, where add-ons are allowed. In both places, permission to add-on came after the voucher program was in operation. Permission to add-on greatly increased school and student participation in the programs. And after a few years of adjustment, most private schools charge an add-on, but the vast majority of tuition levies are very modest. Inability to levy tuition add-ons creates standard price control problems: waste, shortages, stifled innovation, and declining product quality.¹¹⁴

That's exactly the state of our school system where traditional and chartered public schools are precluded, by law, from charging tuition, and in voucher programs like the one in Milwaukee where schools that enroll voucher users must accept the voucher as full payment. All of the prominent federal (NCLB, Goals 2000, etc.) and state-level school system reform efforts have implicitly assumed that price control¹¹⁵ is okay for the education industry; that somehow, decades worth of awful results from price control do not apply to the production of schooling. So far, the disappointing outcomes of school system reform efforts say otherwise. The classic symptoms of price control – misallocation of resources and declining quality – exist in abundance in K-12 education.

The question of whether publicly funded schools should have the option to levy tuition may seem irrelevant on constitutional grounds and unattractive from an equity perspective. However, a typical state constitution requirement that the state provide free schooling does not necessarily preclude the provision of alternatives that, in some instances cost more than the state's taxpayers are willing to provide for everyone. Indeed, for years many public schools have assessed a growing variety of fees for textbooks, lab participation and certain supplies. Charging additional fees to participate in basic academics is hardly a new concept, yet it's impossible to know how court challenges to tuition-enabling policies will fare. Certainly, it seems that it will be appropriate, and likely legally necessary, to have some tuition-free options

available to everyone, but not necessarily just tuition-free options. Still, low income families have been found to be willing and able to supplement subsidies with private funds when it yields significantly improved schooling.¹¹⁶

Further proof that unchallenged assumptions can be dangerous things is the complicated equity perspective on price decontrol. Tuition levies seem to severely impact low income families. But third parties can address the affordability/access issues. Tuition levies can be publicly or privately financed on a case-by-case, academic talent (scholarship), and financial need basis. And it is not clear that mandating free-only schooling options is beneficial to lower income families, short-term or in the long-run. It eliminates schooling options that low income families have found the money to buy and that often could not exist otherwise. And mandating free-only, subsidized schooling short-circuits the product development process that transforms initially costly services into widely affordable options.

B. Real School Choice Facilitates Broader Bottom-Up Accountability

While current laws promise to hold schools accountable through various means such as standardized tests,¹¹⁷ the actual consequences for low performance and subsequent turnaround have been minimal.¹¹⁸ And the promised true accountability for low standardized test scores is not nearly enough, as the current system lacks incentives for large, broad-based, continuous improvement in student performance. As noted previously, the current system provides strong incentives to narrow the curriculum to the test items, and test-taking skills for standardized exams. If schools meet their assigned narrow objectives there is no tangible incentive to continue the struggle to pursue additional improvements. So, the schools deemed successful often become complacent and end difficult efforts to make further improvements.¹¹⁹

An inappropriately narrow focus and complacency are major, inherent flaws of systems wherein providers [educators] don't directly depend on payments from their clients (parents); instead being paid and then judged and directed by elected officials and their appointed administrators. Only through at least partially subjective,¹²⁰ bottom-up accountability that can only result from well-

informed, high stakes consumer/parent choice will educators maintain an appropriately broad focus beyond a few tested subjects and fully address the interests of their customers, while also working to attract new ones. Meaningful school choice fosters direct accountability to parent/student clients, which provides educators the necessary strong incentives to focus on the full schooling experience, not narrowly, and sometimes fraudulently, on tested items.

C. Integration Benefits of School Choice

Specialization and school choice can also enhance educationally beneficial, and legally mandated, ethnic and racial diversity. There is no basis to expect a strong correlation between skin color or ethnicity and interest in specific pedagogical approaches or subject themes; unless the subject themes relate specifically to such backgrounds. Therefore, the sorting of children into schools and classrooms according to ***their abilities in particular subjects*** (≠ “tracking”) or their pedagogical preferences, should provide an ethnic/racial mix in each school that reflects the population of the surrounding communities. That is already the tentative assumption of “controlled choice” approaches¹²¹ to school desegregation.

Some studies seem to contradict parents’ claims that academic issues are their top concern. However, that impression may be the result of the minimal, readily observable differences between the ‘comprehensively uniform’¹²² schools in Kansas and elsewhere in the U.S. In a system of attendance zoned, comprehensively uniform schools, quite often the only readily apparent difference between nearby schooling options is the composition of the student body, which may signal some families the potential presence of academic performance-relevant peer effects. Racism can seem present to a much greater extent than it actually is because race-correlated student peer affects matter, and because other potentially more important differences between available schools (specialized approaches, curriculum, pedagogy, teacher training, and textbooks) do not exist as potential choice-making criteria.¹²³

When parents can send their children to a school that focuses on a highly valued specific subject theme or learning style, they are much more likely to voluntarily integrate their children with other children with the same interests’ regardless of race or ethnicity. Research has yet to draw a clear

distinction between school choice policy options that reduce the racial and socio-economic diversity of schools and classrooms and the policy options that will increase diversity, but there are no other policy options with as much potential to increase integration as opportunities for schools to specialize their services, and allowing parents to choose from a diverse menu of schooling options.

“Controlled choice” public school choice and magnet public school programs represent school choice in widespread use to foster integration.

D. Benefits of Rivalry and Genuine Competition

Genuine opportunity for parental choice from a diverse menu of schooling options will create some rivalry, and perhaps, eventually, even the full-blown competition that is a proven agent of efficiency and relentless improvement. If public schools must vie for a share of the education market, each school has to attain a choice-worthiness level, probably by specializing in something that exploits its strengths, while also addressing the most critical schooling needs of their surrounding communities. Failure to do so would cause new school choices to replace them. Schools would have to place more emphasis on performance over mere credentialitis, and thus would less readily accept mediocre products of weak teacher training programs¹²⁴ that have often been described as trivial programs with non-trivial negative consequences.

Since the resulting competition would yield higher incomes for master teachers, rivalry for successful and bright teachers would also cause teaching to become a more desirable profession for the most able students. Instead of insisting that every aspiring teacher go through the hoops and hurdles of teacher certification that have repeatedly shown to have little correlation with student performance,¹²⁵ teachers could be hired and retained, based on subject mastery and their ability to successfully communicate their knowledge to students.¹²⁶ That mastery can be achieved and demonstrated through means other than formal certification programs.

For example, schools would be open to uncertified experts seeking a second career as a schoolteacher. The Teach for America placement program, that allows teachers to be certified while on the job,¹²⁷ provides a glimpse of the beneficial impacts that

competitive labor markets could have on the teaching profession.

Competitive pressures could force schools and school systems to seriously reconsider convenient, but counter-productive practices like attendance areas, grouping by age, one-size-fits-all, politically correct curricula and textbooks, and teacher salary schedules that fail to recognize differences in competence or subject fields. Such re-assessments were outcomes of the Milwaukee Voucher Scholarship Program, where school administrators asked district officials for more autonomy in running their schools once faced with competition from choice schools.¹²⁸

E. Economic Development Magnet

The ability to exercise private school choice without incurring a huge tuition bill on top of school

taxes attracts families and businesses. A survey of families leaving inner city Baltimore for better suburban schools found that nearly half would have remained had their been a significant tuition voucher program, or widely available charter schooling options.¹²⁹ Merrifield and Gray found that the privately-funded tuition voucher program for residents of the Edgewood School District (San Antonio, Texas) attracted significant immigration and business development; so much that in several years of rapid growth in voucher use, school district enrollments also grew.¹³⁰

Especially in these times of fiscal stress and high unemployment, a school choice-based economic stimulus policy needs much more attention. It may be the necessary catalyst for the extra political support needed to enact transformative school choice policies.

Policy Options to Facilitate Appropriate School Choice Outcomes

Widespread engagement in learning requires a diverse menu of schooling options that, in turn, requires meaningful school choice, which requires light regulation,¹³¹ a level playing field, and price signals to signal the scarcity of each schooling option. Of the many school choice policy options that could create some or all of those conditions,¹³² we review the four policy approaches with a chance of being adopted in Kansas in the near future. 1.) Open enrollment among traditional public schools, including magnet schools. 2.) Thirty-nine states, including Kansas, plus the District of Columbia have laws that allow the creation of chartered public schools (CPS).

There is considerable variability in the provisions of the 40 charter school laws, and some significant debilitating features common to all forty charter laws. A strong charter law, as defined below, can facilitate the development of the specialized schooling options that will greatly expand engagement in learning by Kansas schoolchildren. 3.) Another option is a tuition voucher policy that can be phased in gradually or first tested and fine tuned in the state's lowest performing urban school systems. 4.) A tuition tax credit is another way to foster the specialized schooling options to raise the effectiveness of our educators and engage significantly more children in academics.

A. Open Enrollment – No More Attendance Areas

While the open enrollment approach curbs the attendance area barrier to specialization, it does not provide the price signals to inform and motivate it, or the incentives to drive the politically difficult resource re-allocation process. Still, with the “comprehensive uniformity” starting point of the current system, initial specialization decisions based on any rational process will yield additions to the current system, like magnet schools, that would probably be wildly popular. Open enrollment, a right asserted by the federal No Child Left Behind (NCLB) Law for students in persistently failing schools, is at least a useful first step to build familiarity and with widespread public sector specialization, and thereby gradually increase the political feasibility of policy approaches that could produce a high performing system, and sustain it through the endless disruptive change that is life. The weak response to the NCLB mandate that students in failing schools be granted public school choice argues that choice among existing schools will not be that helpful to the choosers, or do much to motivate school system change, including specialization. Therefore, increased provision of magnet schools may be the only way to develop much specialization from the current school district governance process.

B. “Strong” Charter Law

Kansas’ chartered public schools already yield some subject matter and pedagogy specialization, but much more is needed, and it will not be forthcoming under the very “weak” Kansas charter law¹³³ that earned a grade of ‘F’ from the Center for Education Reform (CER).¹³⁴ Likewise, the National Alliance for Public Charter Schools (NAPCS) gave the Kansas charter law a 2009-10 school year rank of 36 out of 40.¹³⁵ The Kansas law poses many debilitating obstacles for potential charter operators. In essence, Kansas’ charter law virtually prohibits charter schools beyond district interest in district-run alternative public schools. Attention to the following problems would greatly improve Kansas charter law and thus help foster the much-needed large and dynamic menu of diverse schooling options.

1. Lack of Fiscal and Legal Autonomy

The CER and the NAPCS assigned Kansas the worst possible autonomy score. Kansas chartered public schools (CPS) have no fiscal or legal autonomy. If Kansas wants to use CPS to provide a dynamic, diverse menu of schooling options, increased school autonomy is essential. There are many charter law examples for Kansas to follow. Connecticut’s charter operators run their CPS in accordance with the terms of their charters, but independent of any local or regional board of education.¹³⁶ Delaware charter schools determine their own budget and operating procedures, and CPS governing boards have same standing and authority as a district board of education, except in the power to tax. Several other states (California, Minnesota, District of Columbia) have laws that Kansas can imitate to greatly improve and expand the Kansas charter school sector.

2. Exemptions From School-Specific State and District Regulations

It is common knowledge that public schools are enmeshed in many counter-productive bureaucratic oversight and regulations. Freedom from some regulation, which varies widely by state, is a major reason some of the nation’s CPS can innovate and develop system-transforming services, while others cannot. Kansas provides chartered public schools little relief from the red tape that strangles the public school system. Kansas charter law requires charter schools to submit an application to local

and state school boards for each regulation it wants to be exempt from. The local school board and the state board of education then determine whether to grant the charter school a waiver from the petitioned regulations. Arizona charter law automatically exempts charter schools from all but health, safety, and academic accountability rules and regulations;¹³⁷ a charter law revision that Kansas charter schools would greatly benefit from.

Like most states, Kansas does not exempt its CPS from the traditional public schools’ (TPS) teacher certification requirements. That prevents CPS from employing teachers most in line with their schools’ subject matter, and restricts possibly exceptional teachers from entering the teaching force.¹³⁸ Arizona charter law is also strong in this area. It exempts CPS from the teacher certification requirements that apply to TPS, but requires chartered schools to provide teacher resumes’ to parents who request them. That creates some direct accountability to families, and thus likely raises teacher qualification standards to those considered most effective by parents and independent charter school accrediting organizations. Another option is to require CPS to post teacher evaluations online, or provide them to parents upon request.

3. Authorization

A charter law provision for multiple potential authorizers is an essential element of the strong charter law needed to diversify Kansas’ schooling options. The Kansas charter law only permits school districts to authorize CPS; something that creates a conflict of interest, as CPS are potential competitors to TPS. Failure to provide for multiple capable authorizers creates a high entry barrier for potential CPS operators.

A strong authorization provision is a key element of Minnesota’s grade ‘A’ from CER, charter law. Minnesota allows several authorizers including, “local school boards, intermediate school boards, cooperatives, charitable nonprofit organizations that meet certain criteria, private colleges, public postsecondary institutions, and up to three single-purpose sponsors that are charitable, non sectarian entities created just to operate charter schools.”¹³⁹ Utah, which also received high marks for the authorization provisions of its charter law, created a state charter school board to authorize charter schools.

4. Inequitable Operational Funding

Since Kansas charter schools receive much less funding per-pupil than traditional public schools, Kansas' charter law places charter schools at a strong competitive disadvantage. In order for Kansas to create a more dynamic charter school sector, equitable funding is essential. Kansas should adopt the strong Minnesota funding policy. Minnesota is one of the few that allows charter schools to receive funding equal to the average state per-pupil costs. And Minnesota provides its chartered schools some of the local-level funding levied for public schools.¹⁴⁰ In addition, the Minnesota charter law allows CPS to be designated as a Local Education Agency (LEA), making them eligible for all applicable categorical funding as well.

Recent reports by Ball State University and the Fordham Foundation found that, on average, charter schools have been and continue to be funded about twenty percent per pupil below traditional public schools (TPS);¹⁴¹ something a Kansas charter law revision needs to avoid. The large gaps in funding create charter school shortages (long wait lists) and virtually excludes all but the cheapest instructional approaches. A funding gap of \$2,000 per-pupil (a conservative estimate, especially for Kansas, which has one of the highest rates of inequality in the country) will result in a \$200,000 yearly operating revenue shortfall for a school of 100 students. While many CPS outperform TPS despite such funding gaps, funding inequity undermines innovation and efforts to further improve their services. Of special importance in our circumstances that call for transformative change and large academic achievement gains is that funding inequity greatly lowers the probability of expansion and imitation of successful instructional approaches. Expansion and duplication often requires very-hard-to-get, long-term commitments of donor funding. Chartered public schools should receive the same per pupil public funding as traditional public schools.

5. Equitable Access to Capital Funding and Facilities

Another major obstacle to charter school formation is the lack of money for school facilities, along-side limited, inadequate (often no) access to vacant public school facilities. In many states, lack of

facilities' funding is a bigger financial inequity issue than the aforementioned inequity in the provision of operating funds. In Kansas, lack of facility funding is another of the many major charter start-up impediments; a key reason why only 34 CPS exist in the whole state. Several states have near model laws in this area. The recent Utah charter law amendment that created a state charter school financing authority provides CPS with access to tax exempt bond financing through issuers at the county and municipal levels. Louisiana charter law created a school startup fund that provides CPS with zero interest loans for both new and existing facilities up to \$100,000 per school. Louisiana also requires school districts to provide CPS with the first option to purchase vacant public school facilities. Several states, including Georgia, have a needs-based capital funding program that provides CPS with facilities funding on a per-pupil basis, distributed through a competitive grant process.¹⁴² Those states provide strong examples of ways Kansas could lower the capital funding barriers to charter startups or expansions.

6. Charter School Authorization and Oversight Funding

Another area where Kansas received the lowest possible score from the NAPCS is in charter authorizer funding. Kansas' charter authorizers lack the funding to carefully process charter applications and proposed charter amendments, to provide necessary school oversight, to collect and analyze school data, and to report on school performance. Louisiana has a top-ranked charter law provision for charter authorizer oversight. It allows charter authorizers to cover the overhead costs of performing the functions above by charging a small percentage (around 2%) of the per-pupil payments to the schools. Another important aspect of Louisiana law is that it allows CPS to contract with charter authorizers for the direct purchase of specific services, including but not limited to transportation services, food services, media services, library services, custodial and maintenance services, and health benefits for active and retired employees. Louisiana law requires authorizers to charge CPS the actual costs incurred by the authorizer for such services. We urge Kansas to adopt a similar policy.

7. Caps for Charter Schools or Student Enrollment

The one bright spot in the Kansas charter law is that there are no explicit caps on the number of CPS allowed in the state, and it is imperative that it remain that way. Caps on the number of CPS, or charter enrollment, reduce competition among existing schools and reduce opportunities for new schools to replace the least productive ones. Lack of school choice benefits no one but the people that have a personal stake in the current governance and funding processes of the public school system. The entry barrier created by participation caps creates stagnation, which has been shown to lessen overall school productivity.¹⁴³

8. Charter School Performance Studies

Officially, the track record of charter public schools (CPS) is mixed. Some studies find that children in CPS out-perform comparable children in traditional public schools (TPS), some find negative effects, and some find no effects.¹⁴⁴ But those mixed results are misleading for several reasons. There are flaws in making the intended comparison, and the intended CPS-TPS comparison is deeply flawed in that it assumes away the system transformation imperative of policies proposed as school system reform, and it treats CPS like TPS substitutes rather than the system-enhancing complements that CPS need to be.

Multi-state assessments often ignore wide differences in the circumstances of CPS in different states and only recently have some studies taken account of growing pain effects; that is, established CPS perform much better than new CPS, and new CPS are quite common. But the main problems with CPS-TPS comparisons are: A.) the implied premise that CPS presence doesn't change the TPS benchmark of the comparison; and B.) that the appropriate criterion for a successful charter law-based reform is that it improves the school system as a whole. School system improvement could happen partly through some rivalry pressures, perhaps by indirectly replacing some existing schools, but mostly by complementing existing schools with increased specialization and thus a diversification of the menu of schooling options.

A TPS-CPS comparison would not reveal those benefits. Indeed, it could obscure some of them. A recent "Apples-to-Apples" comparison¹⁴⁵ epitomizes

the bizarre determination to judge CPS on whether they are better at serving all students, even though that is very likely a key reason for chronically low TPS performance. So, a likely key virtue of chartering – specialized schooling options (nearly half of the CPS) – was excluded from that assessment of chartering.

Problem "A" described above means that a comparison of nearby schools is tantamount to assuming that the addition of CPS to the school system does not influence TPS performance, either through rivalry effects, or through better matching of student attributes and schools' specialized missions, alongside reduced debilitating learning style diversity in TPS classrooms by moving unengaged TPS outliers to a specialized CPS setting. When the Problem "A" premise is appropriate, the reason for the assessment largely disappears, and if the premise is false, the comparison is misleading, perhaps dangerously so. The needed correct comparisons are school systems with varying levels of potential charter activity and mission diversity; comparisons the authors aim to make through their nascent E.G. West Institute for Effective Schooling.

Those basic criticisms also pertain to assessments of tuition voucher programs described below. Many voucher program assessments implicitly assume away the possibility that the voucher program could impact the composition and overall performance of the school system. When that assumption of no-impact on TPS is valid, the findings of the program assessment have no relevance to the potentially transformative voucher programs we describe below. And when the voucher program does yield significant TPS impacts, the comparison of voucher users and unsuccessful voucher applicants left behind in TPS (so-called "gold standard" random selection research strategies) yields a misleading, probably negatively biased assessment of the voucher program's impacts.

That negative bias is probably further depressed against voucher programs by the likely behavior-distorting voucher shortages that are inherent in random selection research. Behavioral effects of shortages in K-12 education have not been studied, but in the industries where shortage effects have been studied, the effects have been devastating; notably much-diminished service quality.¹⁴⁶

C. Tuition Vouchers

Vouchers have been a proposed alternative to the current public school finance system for a long time; at least since Adam Smith's *Wealth of Nations* (1776). Milton Friedman's 1955 essay,¹⁴⁷ and his later chapter in the widely read *Capitalism and Freedom*,¹⁴⁸ injected the tuition voucher approach to K-12 school reform into the contemporary school reform debate. Friedman proposed universal tuition vouchers to harness entrepreneurial initiative driven by market-generated price signals, arguing that the outcome would be much preferred to the widely-lamented achievement deficits of our current, virtually closed system, due mainly to the public school system's public funding monopoly.

Several states have implemented voucher programs, but those narrowly targeted programs do not remotely resemble the Friedman vision of a large voucher available to every family. The existing voucher programs target certain groups of individuals (disabled, low-income, from failing schools, etc.), certain types of schools (i.e. private, secular, not for profit schools, etc.), and/or allow only a fraction of the total student population to participate. And the dollar value of the voucher is rarely much over half of per pupil TPS funding, often much less than half. Studies of those limited versions of tuition voucher programs have created a lot of misleading generalizations about voucher programs.¹⁴⁹ As Rick Hess noted through his pick-axe and bulldozer metaphor, voucher programs of the latter variety have not had a day in court, and their effects seem likely to be significantly different from the pick-axe effects seen so far.¹⁵⁰

Like Hess, Friedman carefully differentiated between universal and targeted tuition vouchers, calling the latter "charity voucher" programs;¹⁵¹ much smaller than the "reform" voucher programs that he envisioned. Larger voucher programs exist in Chile, the Netherlands, and Sweden, but tight regulation by the central government limits entrepreneurial initiative and the needed subject area and/or pedagogical specialization. For example, Sweden specifies a national curriculum that all schools must teach. Since the national curriculum consumes 97% of the school year, Sweden has only pedagogical choice. That is, Sweden's school

system (public + private, combined) teaches the prescribed national curriculum in a wide variety of ways.

To achieve the needed dynamic, diverse menu of schooling options, a Kansas voucher program must provide a voucher with a value comparable to the per pupil expenditure of TPS, maintain low formal entry barriers for education entrepreneurs that might start new schools, place no permanent caps on the number of students that can participate in the voucher program, and avoid price control effects by letting schools accept vouchers as partial payment. Implementation of such a voucher program would provide Kansas with the world's most competitive and system-transforming school system. It would provide parents and students with a diverse set of schooling options unavailable in current U.S. public and private school systems.

1. The Voucher Amount - Non-Discrimination – A Level Playing Field

Differences between the public funding for TPS students and the funding that is portable via a tuition voucher (discrimination) limit private school offerings, especially from the new schools we need to diversify the schooling options. Permanent funding discrimination serves no long-term purpose other than to limit change. Large permanent differences in per pupil funding of private schools, TPS, and CPS are the current system's key entry barrier; an informal barrier at that. It is very difficult to sell something (private schooling) with a free substitute. Most families cannot afford to pay for schooling twice; tuition in addition to school taxes.¹⁵² Use of private schooling should not deny families their child's share of the taxes everyone pays to facilitate public education (a commitment to universal schooling, not support for government-owned schools, only).¹⁵³

We've emphasized the term 'permanent,' because a gradual phase-in of non-discrimination in public funding of K-12 public education is justifiable to achieve a smooth transition from the present school system to a future system with a diverse menu of schooling options. Non-discriminatory voucher funding of all schools, public and private, is also the simple and certain route to sometimes court-mandated equity in public school finance.

2. Low Formal Entry Barriers

Entry barriers protect inefficient producers, hinder innovation, and leave important specialization niches vacant. Therefore, the rules governing the provision of schooling must not favor established schools or large school systems over new schools. Rules specifying personnel or content, or barring certain providers of schooling – for example for-profit or non-secular – are the main concerns. As noted above, the key current entry barrier – public funding practices that favor government-owned providers of schooling – is informal.

3. No Limit on the Number of Voucher Recipients

Caps on the number of individuals that are eligible to receive a voucher keep voucher programs from serving as the school system transformation catalyst we need. Caps restrict the profit potential entrepreneurs can compete for, therefore limiting the impact a voucher program can have on the overall education system. As the amount of revenue available for educational entrepreneurs rises, the more likely they will offer innovative ideas that will help spur the entire education system to new levels. Therefore, it is imperative that all Kansas students have the opportunity to participate in the voucher program. Phasing in the state's eligible percentage of students is a reasonable implementation process, but the Kansas voucher law should not contain a permanent cap on the percentage of students eligible for the program. A phase-in period provides current schools with time to prepare for a much more competitive education market, and allow educational entrepreneurs the ability to prepare for future demand growth.

4. Price Signals – Avoid Price Control

Price signals to prioritize resource use and the motivation that they provide producers are vital to the success of a thriving economy. Yet, dynamic price signals are non-existent for the schooling services of the dominant public school system where schooling must be free, and distorted in the private sector by the need to meet the competitive challenge of a free public schooling substitute.

The best way to avoid the debilitating effects of price controls is to create a mechanism whereby the voucher equals the amount of money the TPS would have received to educate each student. Setting the voucher value lower saves money for

the state and increases per-pupil funding for TPS (the full cost of educating the student opting for a TPS goes away but only part of the revenue) but that isn't in the best interests of the student attending the TPS. The voucher program rules must allow private schools to accept the voucher as partial payment (to charge families a tuition add-on they are willing to pay). Without the possibility of tuition add-ons, the private sector can offer little else but instructional approaches that cost comfortably less than the voucher amount; the exceptions being schools skilled at fundraising. And the most popular instructional approaches, especially the rare exceptions that resist the tuition/price ceiling through effective fundraising, are vulnerable to debilitating shortage effects like reduced quality.

As noted under the charter law discussion, the add-on may **only** be needed to get an innovative schooling approach off the drawing board. Once in use, experience and competition will likely bring the cost down, and reduce, or perhaps eliminate the add-on. But it is a VERY BIG '**only**.' The high initial price is both necessary to pay expenses, and as an incentive to pursue innovation. The families able to add on to the voucher amount support innovative schools in the expensive startup phase; a key part of a schooling transformation process that can revolutionize the K-12 education system.

Furthermore, parents' ability and willingness to supplement voucher funding with their own money through add-ons helps inform businesses what types of schools or services are being demanded, and how much individuals are willing to pay for them. In the current public school system, such information is virtually unavailable. There are no good substitutes for price signals of parents' schooling priorities. With permission to charge families more than the voucher amount, the more successful schools can profit from the large increases in income that they will experience for their services, while competitors would likely pick up on their successes and try to mimic them. Such copy-cat entrepreneurship¹⁵⁴ is evident in the various innovative technological gadgets that come out each year. Not long after popular new products emerge, there are a variety of similar products by different companies also on the market.

The tutoring services industry is a good example of how education entrepreneurs are likely to respond

to education industry opportunities. Two very successful tutoring services companies, Sylvan Learning Centers and Kumon Math and Reading Centers, responded to the price signals indicating their was a strong demand and willingness to pay for tutoring services. Guided by price signals, the tutoring industry experienced strong growth over the last few decades, and now consumers have a wide variety of tutoring services to choose from.

5. Educational Savings Accounts (ESAs)

While allowing add-on's will help to fund expensive start-ups and bring much needed innovation and transformation to the education marketplace, price competition could pressure schools to operate efficiently, which could help keep education costs down. If the law requires schools to accept voucher amounts as full payment, parents and the state cannot reap any savings from schools that can provide services cheaper than the allocated voucher amount. Legislation creating education savings accounts (ESA), combined with competitive pressures, would provide producers of low cost instructional approaches (e.g. virtual or online schools?) an incentive to offer parents some of the voucher amount as a deposit in an ESA that would fund other educational expenses such as purchasing text books, transportation costs, tutoring services, or whatever the state approves. Likewise, ESAs motivate parents to find the least expensive schools appropriate to the unique attributes of their children. There are currently no such educational savings accounts in use in any choice state.¹⁵⁵ Kansas should lead the way.

6. Pilot Program for a Universal Voucher Program

A pilot program approach is a reasonable, yet risky way to launch and develop support for a statewide, universal voucher program. To attract enough entrepreneurs into the market, the state should enact the pilot as a permanent program contingent on the absence of serious problems. It's a risky approach, because in addition to the costly delay in bringing the benefits of genuine choice to the entire state, there is a chance that something set-up as a pilot will provide a distorted view of a full-scale permanent program. The uncertainty inherent in even the best-conceived pilot approach may stifle the investment needed to produce the lion's share of the benefits. A temporary, privately funded

voucher program for residents of the Edgewood District of San Antonio, Texas provides an indication of what could happen. The program was successful in its early years at attracting new businesses into the area and fostering public school improvement. But since the program was scheduled to end in ten years, there was only one major investment in a new school; by one of the key funders of the voucher program. Participants found better choices for themselves among the existing schools, but there was no major diversification in the menu of schooling options.¹⁵⁶

That said, political realities may dictate a pilot program approach. A rapidly growing large metro area with a large low income population and a history of frustration with previous school reform efforts is an ideal place to start a pilot program. The latter will minimize resistance to the pilot, and the large population will maximize the potential for specialization, while providing public transportation to maximize access to a dynamic menu of choices.

If politically feasible, phased multi-region or state-wide implementation is a better approach. It avoids the temporariness problems, while providing time for adjustment¹⁵⁷ and abandonment, if necessary. Elements to possibly phase in include geographic areas, student age eligibility, the value of the voucher, and existing users of private schools. The key factor to not phase in is permission to accept the voucher as partial payment; always avoid price control. Price signals are essential to orchestrate the adjustment process, and the opportunity to add-on eliminates the potential for debilitating, quality-undermining shortages. Choice supporters must exhort philanthropists to fund add-ons for low income families. That is necessary to curb the howls of protest about unequal opportunity that could undermine the political support for the program during a certainly critical and possibly tumultuous transition period. We've relegated our discussion of school choice policy myths and fallacies to Appendix B.

7. Supply Side

To optimize the effects of a school choice program, new policies must help potential education entrepreneurs – often educators with little familiarity with the business aspects of setting up and operating an independent school – develop their ideas and seek financing. So, we recommend that the state create

a program to train education entrepreneurs in the business aspects of running a school, including familiarity with the relevant regulations. To support education entrepreneurship, at least one Kansas public university should offer degree programs designed specifically for them. Arizona State University used a USDOE grant to set up such a program. As the opportunity for entrepreneurs to benefit from providing services in the field expands, more individuals will be willing to enter the education market.

8. Accountability

It is important that schools of choice have the necessary freedoms to enact their own specialized curriculums, hire teachers they deem best fit their schools, and buy the textbooks they prefer. Safety codes, health codes, required disability codes, and anti-discrimination codes should be required of all schools, and full disclosure of academic policies and outcomes will allow parents to hold them accountable. In the rare cases where competition is not sufficient to close low-performing schools, a provision for state intervention may be needed.

For enhanced school transparency, we recommend the publication of annual student assessments of schools of choice. A website that lists schools of choice, their ratings, their accreditation status, and a listing of teachers and school officials will help parents and students make good choices.

Consumer accountability is most likely to be the most extensive motivator for schools to provide quality services, but without the proper information available to them, it will be hard for parents/students to make informed decisions.

Mandatory standardized testing is a delicate issue. While some well-chosen tests would enhance transparency of schools of choice, it would be unwise to use test scores as a criterion for permission to enroll voucher students. Such a requirement will amount to the kind of regulation that often undermines choice and innovation; for example in Sweden, New Zealand, Chile, and the Netherlands. Such requirements are likely to create situations where some private schools will opt out of the choice programs, rather than deal with added regulations. And as is now the case with public schools, formal high stakes testing would cause some private schools to fixate on specific test content, invest school time in test prep, and

consequently take time away from other important areas of the curriculum.¹⁵⁸

D. Tax Credit – Low-Income Voucher Combination

1. Corporate and Individual Scholarships

Several states allow a tax credit when businesses or individuals donate to “scholarship” organizations that fund vouchers for low income families.¹⁵⁹ Such organizations are non-profit and are responsible for distributing the donated money to individuals on a random or need basis. Kansas should follow suit and also provide tax credits to families that send their children to private schools and to businesses that donate money to such funds. That combination of means-tested vouchers funded by tax credits for businesses, and tax credits for families that spend their own money on private schooling, is an alternative to the aforementioned voucher-only and charter school approaches to the needed diverse menu of schooling options.

Compared to those options, a tax credit – low income voucher combination has the disadvantage of likely yielding smaller per pupil funding for private school users than that received by public school users. In other words, a tuition tax credit reduces the current system’s discrimination against private school users, but significant discrimination will likely remain. Private schools’ financial disadvantage is likely magnified if the tax credit is ‘non-refundable;’ that is, the credit amount is capped at the tax liability targeted by the credit, typically state income tax.

But a key advantage of the non-refundable credit approach is that courts may construe vouchers and refundable credits to be expenditure of state money, a legal obstacle to choice programs in many states, and a political issue in that some taxpayers will object to subsidy use at, for example, non-secular schools. As we will briefly argue below, the Kansas Constitution does not appear to pose major obstacles to any of the approaches described above. Avoidance of price control effects is a major advantage of all tax credit approaches.

2. Eligibility

In the states that provide tuition tax credits, only select individuals are eligible (low income, disabled, etc.). Means-tested voucher funding is most common. Such eligibility requirements falsely

assume that only low-income families need vouchers to have a choice in their schooling, which is not the case – as attested by the overall low NAEP scores for the state. Kansas should improve upon other states' tax credit programs by allowing all students within the state to qualify for tax credit-based support. While low income students are most in need of choice, middle class and some upper class families will also greatly benefit from the school system transformation that would likely result from significantly increased school choice; for example, by the programs described in this policy proposal.

3. Tax Credit Resources

The various tax credits and donation-based vouchers enacted around the country thus far provide only a very small portion of the overall income tax revenue to qualify. Minnesota allowed only 5.9% of total individual and corporate income tax revenue, or roughly \$55 million, to go to tax credit-funded vouchers in 2007.¹⁶⁰ Current tax credit programs only yield enough funding for a very small percentage of the total K-12 student population; typically only small vouchers for a small fraction of

the voucher applicants. Kansas should allow a much larger amount to finance tax credit-based vouchers. Kansas spent \$2.7 billion for K-12 expenditures, representing over fifty-one percent of the Fiscal Year 2010 total state general fund.¹⁶¹ \$200 million - minimal in comparison to that K-12 spending total – but large compared to the tuition tax credit programs now in existence would serve as a good starting point for the Kansas tax credit program. The amount should adjust over time to the demand for such scholarships. We recommend phasing in at least an additional \$50 million every year, thus allowing schools to prepare for future demand growth.

The key policy outcome is enough large vouchers so that a robust private school sector can spur overall industry innovation, and cause public and private schools to strive to improve their services. While the tax credit program we've outlined may seem expensive, the state could actually realize significant net savings from the likely large difference between the per student tax credit amount, and the per pupil expenditure of the traditional public schools.¹⁶²

Legality of School Choice Policy Options in Kansas

The state's Compelled Support Clause, (Bill of Rights § 7), and the Blaine Amendment (Kansas Const. Art 6, §6 (c)), contain few restrictions on the development of school choice through universal vouchers or tax credit programs. Both are likely to survive lawsuits.¹⁶³

A. Blaine Amendment

Blaine Amendments resulted from 1800s anti-Catholic bigotry; part of an attempt to impede the expansion of Catholic private schools in the U.S. Thirty-seven states have Blaine Amendments. Several states had to adopt one to gain statehood. Fortunately, the Kansas Blaine Amendment is particularly weak, stating in Article 6, §6(c) of the Kansas Constitution: "No religious sect or sects shall control any part of the public educational funds." Since there are various avenues to fund school choice without allowing a religious sect to control any part of the public funds, such a law will probably not impede the use of school choice in Kansas.¹⁶⁴ If parents or guardians of school-

children control the allocation of voucher money through their school choices, no money is controlled by any religious sect.

B. *Zelman v. Simmons-Harris*

The U.S. Supreme Court's *Zelman v. Simmons-Harris* (2002) decision eliminated the establishment clause of the First Amendment of the U.S. Constitution as a possible barrier to school choice programs. The Court ruled that the constitutionality of the Cleveland, Ohio voucher program rested on the fact that:

1. It was religiously neutral. The voucher program yielded aid to a broad array of recipients, and neither promoted nor restricted voucher use at schools with a particular religion.
2. The voucher program did not influence the selection of a parent's choice in any way to choose either religious or non-religious schools.
3. The voucher amount went directly to the parent to use at a school of their choosing.

C. Charter School Law

For charter school choice to reach its greatest potential, several Kansas laws must be rewritten or overturned. The following laws restrict charter school expansion:¹⁶⁵ 1). Charter Law 72-1906 requires that local school boards review the petition for the establishment or continuation of a

charter school. 2.) Charter Law 72-1903 requires that charter schools within the state operate within a school district structure, but independently from other schools within the district. If Kansas wants to expand the opportunity for charter schools to create a diverse menu of schooling options for K-12 students, those two laws must be addressed.

Summary and Concluding Remarks

To engage the majority in productive learning, and provide every child with a high minimum level of opportunity to pursue happy and productive lives, Kansas needs to move forward with a school choice program that can yield the much-needed, dynamic, diverse menu of schooling options. There is no other way to achieve significantly improved schooling outcomes. Decades of futility pursuing ostensible fixes that do not address the current system's fundamental flaws – reasons that school systems around the U.S. persistently fail to engage enough children in learning – have proven that. So, policymakers have clung to, indeed further eroded, a de facto, failed business model for K-12 schooling that is contrary to much of what we know about human nature, the need to engage children in the co-production of academic achievement, and how to do that. Current schooling practices do not reflect effective planning in any

meaningful sense. Current schooling policies and practices are a multi-level (federal, state, district) collection of traditions and rules that demand compliance regardless of their sum total effect on student learning.

There are several policy options for moving forward with a real plan – ones aligned with what we know about human nature and how/why children learn – and considerable flexibility within each of the main options. The policy options are not mutually exclusive. For example, providing tuition vouchers or tuition tax credits does not preclude upgrading the Kansas charter law. Given the current political climate, nationally and statewide, we strongly recommend at least the latter; a major upgrade of the Kansas charter law to include at least the key provisions of the current 'A' states, Minnesota and California,¹⁶⁶ preferably plus some manner of price de-control.

APPENDIX A: Overview of the U.S. Education System

The U.S. public education system is in shambles. Ever increasing costs, coupled with stagnant, subpar academic outcomes has put the government and society on notice that something must be done. Once considered the beacon of educated societies in the world, the U.S. has fallen below average in comparison to industrialized societies' international test scores.¹⁶⁷ The prominence of the U.S. economy and welfare of its citizens is at risk; something formally recognized in 1983 by The National Commission on Education Excellence's (NCEE) through publication of *A Nation at Risk*.¹⁶⁸

Since then, several U.S. Presidents and countless governments have made numerous reform efforts with little success; reform frenzy and reform failure. The reform frenzy left a legacy of skyrocketing per-pupil costs. The U.S. spends more per-pupil than nearly every other country in the world.¹⁶⁹ The current generation of U.S. citizens is on track to be the first generation in U.S. history to be less literate than the previous generation.¹⁷⁰ The U.S. is spending more than nearly all industrialized nations in the world to educate its K-12 students, while the achievement levels of U.S. students continue to fall further behind their international counterparts.

The Organization for Economic Co-Operation and Development (OECD) announced that U.S. K-12 schools are being outperformed by the majority of the OECD member countries because its "academic standards, curriculum, and examinations are undemanding by international comparison."¹⁷¹ More startling maybe that U.S. students have been shown to be the only students in the world who score lower on standardized tests the longer they are in school.¹⁷² Part of the problem is that the U.S. K-12 public school system was designed for a society that only needed rudimentary skills to succeed.¹⁷³ No longer will the basic math, writing, and reading skills needed during an agricultural era allow the U.S. to compete on a global scale as it must do today. Underachievement and sinking productivity is a system-wide problem, not a low income or urban issue. No amount of money can fix this fundamentally flawed system.¹⁷⁴

Shocking Statistics

During the 2005-06 school year only 72% of U.S. public school students graduated within the allotted four years; and roughly half of the students who did graduate, were not prepared for the rigors of a postsecondary education.¹⁷⁵ A 2003-04 report by the National Center for Education Statistics (NCES) stated that 21% of all students seeking a postsecondary degree took some form of remedial course in their first year of college.¹⁷⁶ Remedial courses cost U.S. taxpayers approximately \$1.4 billion annually, and much more indirectly.¹⁷⁷

U.S. businesses suffer as a result of our underperforming K-12 public education system. A survey of over 400 human resource officials found that 28% of businesses surveyed will stop hiring high school graduates in the

next five years, and over 40% said recent high school graduates lacked basic skills in reading comprehension, writing, and math.¹⁷⁸ And jobs require an even more educated workforce than ever before. The U.S. cannot continue to rely on educated immigrants to fill the skilled jobs our native population cannot qualify for.

International Test Scores

In international comparison, the U.S. is far behind most Asian and European countries students' scores on standardized tests. A study found that the gap in math achievement levels on the NAEP between the lowest performing state (Mississippi) and the highest performing state (Massachusetts) was comparable to the gap between the overall U.S. math scores on the Trends in International Math and Science Study (TIMSS) – a prominent international standardized tests closely mirroring the NAEP – and those of several top performing Asian countries.¹⁷⁹ In other words, the U.S. as a whole must make a "quantum leap" to even compete with top performing countries on prominent international tests such as TIMSS.¹⁸⁰

Inefficiencies of the Public School System

The cost to educate school children in the U.S. has risen dramatically in the past several decades without much to show for it. According to the Education at a Glance: 2008 OECD Indicators report, the U.S. spent more than all other OECD countries in educating its primary school students, with an average cost per-pupil of \$9156; which is approximately 31% higher than the average for OECD member countries. The average cost to educate secondary school students in the U.S. totaled \$10,390, an average of 25% higher than OECD member countries.¹⁸¹

Education and Economic Output

Throughout most of the twentieth century, the U.S. was a world leader in expanding its education systems to include mandatory secondary education for all its citizens. U.S. citizens were more educated than the rest of the world. But competing nations have surpassed the U.S. in terms of the percentage of their citizens that complete a secondary education.¹⁸² Currently, the percentage of U.S. citizens that complete a secondary education is below the average of the 30 nation OECD.¹⁸³

Current State of the U.S. K-12 Public Education System

The current public education system functions like a one-size fits all system, where there is little specialization among the different schools' teaching methods or curriculums. Albert Shanker, former president of the American Federation of Teachers, said it best when in 1989 he said, "It's time to admit that public education operates like a planned economy, a bureaucratic system in which everybody's role is spelled out in advance, and there are few incentives for innovation and productivity."¹⁸⁴

APPENDIX B: Myths/Possible Rebuttals for Expanded School Choice

1. Giving Parents Choice drains Money from Public Schools¹⁸⁵

A typical argument against school choice is that providing students with choice will leave public schools empty, and with fewer resources to allocate per student. While it is true that less state revenue will be received by public schools if students choose to attend a different school, all the expense of having to educate them goes away, causing per-pupil funds in public schools to rise because schools retain their federal and local funding.

Across the U.S., lack of capacity in public schools is causing school districts to spend millions of dollars building new classrooms, and adding additional teachers. Choice schools will help ease the pressure to create new public school buildings and personnel, therefore allowing students in public schools to benefit by having more resources allocated per student.¹⁸⁶

Public school revenue has continued to grow even after the enactment of various choice programs around the U.S.¹⁸⁷ Lack of genuine competition for funding may be the chief culprit.¹⁸⁸ Public schools have the unfair advantage of seeking additional resources from state and local governments to fund new programs in an attempt to attract students, even though such programs may be inefficient uses of resources.¹⁸⁹ Since choice schools will also pay for the expenses of building new schools that will house their students, state and local governments will benefit from not having to necessarily pay for all of the new construction costs. Parents' ability to supplement the voucher funding, will further reduce overall costs for state and local governments, as the revenue gained by school entrepreneurs will help fund their expansion, and will enable them to be less dependent on voucher funds.

2. Private Schools Discriminate

The argument that choice schools will pick the best students from public schools is often cited as a reason vouchers will hurt the current makeup of public schools. The opposite is true. Catholic religious schools are known for educating some of the poorest students in the inner city. They also are one of the few schools willing to accept habitually misbehaving adolescence students that have been neglected or run out from their assigned public schools. Furthermore, data from the U.S. Department of Education shows that the majority of private schools, including Catholic, accept about 90% of the student applicants.¹⁹⁰

3. Allowing Choice will lead to even More Segregation of U.S. public Schools

The current makeup of U.S. public schools depends largely on the socioeconomic status of the families in the surrounding neighborhood. Since the majority of families live in areas of town that closely resemble their income levels, and students are designated to attend schools based upon where they live, the U.S. public school system is highly segregated by socio-economic status, which tends to be highly proportional to ethnicity. To make the assumption that choice will lead to further segregation has not been proven in the various voucher proposals implemented thus far.

Depending upon critical design factors, especially those that foster significant differentiation in schooling approaches, choice can do the current impossible task of having public schools closely resemble the demographics of their towns or districts. That will be achieved because families will be more inclined to choose a school based on their interests rather than on the ethnic makeup of the schools. Nowhere is the need for the opportunity to expand school choice more obvious than in inner city schools where minorities make up a large percentage of the total K-12 student population. Statistics show that about 67% of African Americans and 75% of Hispanics attend schools with roughly 90% of the same ethnic group.¹⁹¹

4. Choice will make it more expensive to educate K-12 students

In the various voucher and tax credit programs throughout the U.S., there has not been any evidence that choice programs add additional costs to state and local governments. In fact, a study by a professor from John Hopkins University found that out of the eleven most prominent choice programs throughout the U.S. in existence between 1990 and 2004, seven helped save their states at least a million dollars, the others, the Utah's Carson Smith voucher program, and two century old "town tuitioning" programs in Maine and Vermont were neutral in their financial impacts. The study also found that these same voucher programs helped save state governments \$22 million, and local school districts \$422 million since their enactments.¹⁹²

In most current voucher programs, the difference between the revenue lost from losing a choice student, and the expenses used to educate them has always benefited the local school districts. Since local and federal money will continue to flow to the individual's district school, the district school only loses the money allocated for the student on behalf of the state. The differences can sometimes lead to substantial revenue growth for local school districts.

Appendix C: State-Specific Charter School Assessments

CALIFORNIA

- **“California’s Charter Schools: Measuring Their Performance,”** Mountainview, CA: EdSource (2007)
Eric E. Crane, Brian Edwards, & Noli Brazil

This analysis of charter school performance addresses two critical questions: 1) how does the academic performance of California charter schools differ from that of noncharters, and 2) how does the academic performance of different kinds of charter schools vary?

This study examined achievement data for charter and traditional public schools with 2005–06 results on the following measures: Academic Performance Index (API), adequate yearly progress (AYP), California Standards Tests (CSTs), and—for high schools only—the California High School Exit Exam (CAHSEE).

Statistically significant findings include:

Within charters

- Charter schools managed by charter/educational management organizations outperformed other charter schools.
- Classroom-based charters had higher math scores than non-classroom-based charters.

Charter schools vs. non-charter schools

- Charter middle schools showed higher performance than traditional public middle schools.
- Charter high schools demonstrated higher performance than traditional high schools on the API, which combines results from multiple subjects; but math scores were lower in charter high schools.
- Charter elementary schools showed generally lower performance than traditional public elementary schools.

- **“Multiple Choice: Charter School Performance in 16 States,”** Stanford, CA (2009)
Center for Research on Education Outcomes (CREDO)

P 1: The group portrait shows wide variation in performance. The study reveals that a decent fraction of charter schools, 17 percent, provide superior education opportunities for their students. Nearly half of the charter schools nationwide have results that are no different from the local public school options and over a third, 37 percent, deliver learning results that are significantly worse than their student would have realized had they remained in traditional public schools.

These findings underlie the parallel findings of significant state by state differences in charter school performance and in the national aggregate performance of charter schools. The policy challenge is how to deal constructively with varying levels of performance today and into the future.

P 2: In all cases, the outcome of interest is the magnitude of student learning that occurs in charter school students compared to their traditional public school virtual twins. **P 45:** The

effectiveness of charter schools was found to vary widely by state. In five states—Arkansas, Colorado (Denver), Illinois (Chicago), Louisiana, and Missouri—charter school students experienced significantly larger growth—ranging from .02 standard deviations to .07 standard deviations—than would have occurred in TPS. In six states—Arizona, Florida, Minnesota, New Mexico, Ohio, and Texas—charter school students experienced lower learning gains—ranging from .01 to .06—than would have occurred in TPS. In four states—California, District of Columbia, Georgia, and North Carolina—the results were mixed or no different from the gains for TPS.

Differences across states in their charter school policies help to explain part of the observed differences in student results. This study reveals that state laws governing charter school operation have an important impact on student academic growth. Specifically, the presence of a charter school cap correlates with .03 standard deviations of academic growth. Similarly, states permitting multiple entities to serve as authorizers for charter schools also exhibit negative academic growth, approximately .08 standard deviations. However, states that allow charters to appeal an adverse decision on either initial charter applications or renewals experience slight positive academic growth, about .02 standard deviations.

P 46: For now, this research does not explain performance in terms of specific curricular emphasis or school model.

MINNESOTA

- **“Evaluation Report: Charter Schools,”** Minnesota (2008)
Office of the Legislative Auditor, State of Minnesota

P x: We compared charter schools’ performance to that of district schools in the same region with similar student demographics.

ARIZONA

- **“Success Measured, Four Foundational Elements of Student-Level Growth,”** (2008)
Arizona Charter Schools Association

Found three best CPS and tried to determine what made them effective.

MICHIGAN

- **“Charter Report Favorable, State Board Wants More,”** February 24, 2009
Lorie A. Shane

Required by law to submit an annual report on public school academies to the Legislature, board of education members reviewed a draft version of “Public School Academies at a Glance” during their February meeting. A final version is expected to be approved in March.

The 2008 report says that:

- Charter students performed slightly better academically, on average, than students in conventional public schools in urban areas, though both groups lag behind state averages. About three-quarters of charter schools are located in urban areas.
- Charter schools reported higher attendance and graduation rates than conventional urban schools, but lower than state averages.
- Black elementary school students, on average, perform better in charter schools than in conventional public schools statewide.
- High schools are a weak spot in charter performance, though charter schools that have been in operation longer show better results.
- About 52 charter schools “beat the odds” by achieving high academic performance with large populations of disadvantaged students.
- Charter schools receive less state funding than conventional schools — about \$1,700 less per student than nearby urban schools and about \$500 less per student than the state average.
- Charter authorizers have closed 38 schools since the public school academy law was enacted.

■ **“2008 Public School Academy Report to the Legislature,”** Michigan (2008)

Michigan Department of Education

The length of time a PSA high school has been operating has a pronounced effect on student achievement.

COLORADO

■ **“The State of Charter Schools in Colorado,”** Colorado (2009). Colorado Department of Education
Dick M. Carpeter II & Krista Kafer

During the 2007-2008 school year, 141 charter schools operated in the state of Colorado. These schools served 56,188 students, an increase of 52% from the total number of students (36,872) served in the fall of 2004 and 78% over the total served in 2003 (31,529). Charter school enrollment in 2007-2008 represented 6.9% of the total public school enrollment.

Of the 133 charter schools that responded to the survey, 66% of charter schools (88) stated there was a waiting list/lottery pool for their school. The average waiting list size was 462 students, ranging from two to 7,500, and the statewide total was 38,374. Mean CPS enrollment was 398.

This report compares the performance of charter school pupils with the performance of ethnically and economically comparable groups of pupils in other public schools.

No CPS/TPS differences in reading, but Charter students in elementary and middle school grades showed greater percentages of proficient or advanced but smaller percentages in the high school grades.

As with reading and math data, a greater percentage of charter students scored at the proficient or advanced level from grades 3-8, but more non-charter students scored proficient or advanced in high school.

UTAH

■ **“Utah Charter School Study,”** Utah Education Policy Center, The University of Utah (2006)
Andrea K. Rorrer, Charles Hausman, & Gori Groth

Consistent with the RFP, the research questions addressed in this study included:

1. What should be the purpose of charter schools?
2. Why are charter schools in Utah generally authorized by the State Charter School Board rather than a local school board?
3. How should charter schools be governed?
4. To what extent should charter schools be exempt from state laws and rules regulating public schools?
5. What training do charter school governing board members and administrators need to open and operate a charter school?
6. Why do parents enroll their children in charter schools?
7. Why do parents withdraw their children from charter schools?

Methods

The research team surveyed charter school administrators and board members, district administrators and local board members, and state charter school board members. In addition, the research team surveyed parents regarding their decisions to enroll or withdraw their children from charter schools in Utah. The research team conducted interviews and focus groups with representatives from twelve districts and the corresponding charter schools within those districts. Key findings from across these data sources are presented below.

According to participant interview responses, there were generally four primary drivers for the creation and operation of charters including (1) dissatisfaction with public schools, (2) a desire for something unique and “innovative,” (3) the ability of parents/guardians to exercise choice, and (4) the ability of parents/guardians to define and control their child’s educational experience. Although charters are touted as serving a niche market, the high percentage of parents/guardians who cited basic skills as the most important goal appears inconsistent with the notion of innovation.

Twenty-nine percent of parents indicated that they chose a charter school because they prefer a private school but could not afford it.

Parents/guardians with children currently enrolled in charter schools in Utah reported being extremely satisfied with their school. Specifically, 94 percent assigned their children’s charter school a grade of A or B, while only 2 percent rate the school a D or F.

Survey respondents gave charter schools much higher grades than the traditional public schools. In particular, 65 percent of parents/guardians with students currently enrolled in charters awarded their school an A, while only 2 percent of these same parents/guardians gave an A grade to public schools in their community.

Parents of previously enrolled students graded the charter schools somewhat lower than parents of current students, but still reported relatively high satisfaction levels. Of the group who withdrew their children from charter schools and enrolled them in traditional public schools, they rated the former charter school slightly more favorably than they did public schools in their community.

The most oft cited reason for withdrawing from charter schools was the “child wanted to attend another school.” Beyond that, parents who chose to withdraw their children appeared to do so for a wide variety of reasons including convenience (i.e., location), discipline, instruction, school personnel, and a lack of individualization in the program.

GEORGIA

■ “Baseline Evaluation of Georgia’s Charter Schools Program: Summary Report,”

Center For Evaluation & Education Policy (2006)
Jonathan A. Plucker, Et. Al.

Student Achievement Analyses — For student achievement to be examined, CEEP researchers compiled a list of comparison schools for the existing charter schools based on geographic proximity.

Each charter school was matched with up to three different comparison schools.

NEW YORK

■ “Charter School Performance in New York City,”

Stanford, CA (2010)

Center for Research on Education Outcomes (CREDO)

Specifically, the report found that new charter school students in New York are modestly but significantly behind in reading gains during their first year, but receive an immediate, significant benefit in math compared to their traditional public school counterparts. But in their second year, charter school students have substantial gains in both reading and math, and this impact stays positive and significant through their third year of attendance.

OTHER

■ “Charter Schools: Today Changing The Face of American Education,”

The Center For Education Reform (2003)

Jeanne Allen. Et. Al.

Despite current myths, Arizona charter schools do not serve the “best of the best,” but “have become havens for students with special problems, returning former drop-outs, and others ‘referred’ to them by traditional public schools.

■ “The Accountability Report 2009: Charter Schools,”

Center for Education Reform

<http://www.edreform.com/accountability/>

Details each states’ charter school program and their success. Individual state data indicates that charter schools are outpacing their conventional public school peers in student achievement with fewer resources and tremendous obstacles.

■ “Apples to Apples: An Evaluation of Charter Schools Serving General Student Populations,”

Manhattan Institute (2006)

Jay P. Greene, Greg Forster, & Marcus A. Winters

p 10: We then eliminated from these lists any schools that were known to be targeted to particular student populations.

Untargeted avg. pct: 56.6%.

Endnotes

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