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**Path Dependence in American  
Public Education**

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## **Abstract**

This thesis is concerned with the study of public education in the United States as a path-dependent phenomenon. By reviewing the historical background of the institution of education, several key sequences emerge that are foundational principles. They are: a decentralized system, secular education, universal access, decreasing the achievement gap and global competition. Testing these sequences against school choice theories shows the foundational principles behind traditional public schooling in America are being challenged. The institutional reproduction of this pathway is likely to be interrupted in the utilitarian, functional, power and legitimation explanations of path dependence theory.

## **Keywords**

**public education, school choice, path dependence theory**

**Range of thesis: 66**

## **Declaration of Authorship**

1. The author hereby declares that he compiled this thesis independently, using only the listed resources and literature.
2. The author hereby declares that all the sources and literature used have been properly cited.
3. The author hereby declares that the thesis has not been used to obtain a different or the same degree.

Prague 2017



**Izabela A. Kulesza**

## **Acknowledgments**

I dedicate this thesis to my parents, Barbara and Andrew Kulesza. Their hard work, perseverance and belief in the American Dream allowed me to pursue my dreams. I am humbled and inspired by their story each day.

## Content

<b>1. INTRODUCTION</b> .....	4
<b>2. THEORY OF PATH DEPENDENCE</b> .....	5
<b>3. METHODOLOGY</b> .....	10
<b>4. HISTORICAL BACKGROUND – PART 1</b>	
4.1 THE 17 <sup>TH</sup> AND 18 <sup>TH</sup> CENTURIES .....	12
4.2 THE 19 <sup>TH</sup> CENTURY .....	14
4.2.1 COMMON SCHOOLS .....	14
4.2.2 CIVIL WAR AND RECONSTRUCTION ERAS .....	15
4.2.3 PROGRESSIVE EDUCATION.....	18
4.3 EARLY AND MID 20 <sup>TH</sup> CENTURY.....	19
4.3.1 THE NATIONAL DEFENSE ACT.....	20
4.4 CONCLUSIONS AND ANALYSIS .....	23
4.4.1 CRITICAL JUNCTURES AND FOUNDING PRINCIPLES .....	23
4.4.2 POSITIVE FEEDBACK OF DECENTRALIZATION .....	25
<b>5. HISTORICAL BACKGROUND – PART 2</b> .....	29
5.1 ELEMENTARY AND SECONDARY EDUCATION ACT.....	29
5.2 NO CHILD LEFT BEHIND.....	35
5.3 PRESIDENT OBAMA’S ADMINISTRATION.....	36
5.3.1 RACE TO THE TOP.....	36
5.3.2 THE COMMON CORE STANDARDS.....	37
5.3.3 EVERY STUDENT SUCCEEDS ACT.....	38
5.4 CONCLUSIONS AND ANALYSIS.....	39
<b>6. SCHOOL CHOICE</b> .....	41
6.1 SCHOOL CHOICE AND EDUCATION OPPORTUNITY ACT.....	41
6.2 SCHOOL CHOICE PROGRAMS.....	42
6.3 SCHOOLS OF CHOICE.....	46

6.3.1 PRIVATE SCHOOLS.....	46
6.3.1.1 PAROCHIAL SCHOOLS.....	46
6.3.2 CHARTER SCHOOLS.....	47
<b>7. THEORIES OF SCHOOL CHOICE.....</b>	<b>48</b>
7.1 MARKET MODEL.....	48
7.2 OPPORTUNITY MODEL .....	50
7.3 CONCLUSIONS AND ANALYSIS.....	52
7.3.1 COMPARISON WITH TRADITIONAL PRINCIPLES.....	53
<b>8. ANALYSES AND CONCLUSION.....</b>	<b>55</b>
<b>9. REFERENCES.....</b>	<b>61</b>



**Table 1.** Typology of path-dependent explanations of institutional reproduction

**Table 2.** Summary of key events during the Colonial Era

**Table 3.** Summary of key events in the 19<sup>th</sup> century

**Table 4.** Summary of key events in the early to mid 20<sup>th</sup> century

**Table 5.** Summary of key events up to 1960

**Table 6.** Synthesis of socio-political influence critical junctures and principles

**Table 7.** Federal education policy and socio-political comparison

**Figure 1.** Sources of revenues for education funding distributed as percentages

**Figure 2.** Revenue from local taxes from 1898-1948

**Figure 3.** Revenue from local and property taxes between 1989-2014

**Figure 4:** Student enrollment from 1850 to 1990 by race

## 1. INTRODUCTION

The purpose of this thesis is to examine the founding principles of American public K-12 schools in order to understand the implications school choice policies have on the institution of education as a whole. Traditional public schools have a longstanding history in America but are currently challenged by reforms that will compete for their funding. This practice has the potential to erode the institution of public education. Causes of this change as well as historical changes throughout the legacy of public schooling is at the core of this work.

School choice alternatives are gaining momentum under the current President Trump administration. The U.S. Secretary of Education, Betsy DeVos shared her vision for the future: “I expect there will be more public charter schools. I expect there will be more private schools. I expect there will be more virtual schools. I expect there will be more schools of any kind that haven’t even been invented yet” (Molnar 2017). Powerful actors with vested interests are eagerly supporting opening up of a new market that has historically belonged to the public. The American nation is at the juncture of public versus private management of schooling. This thesis is concerned with exploring this conflict.

History matters in the forecasting the future. By analyzing the environment that created public schools, we are better equipped to understand their role within our society. This dynamic process develops over time and requires consideration in social, political, cultural and economic domains. By analyzing conditions that shaped both, the public school and the market-driven interests within the school, I hope to bring clearer understanding to the implications of school choice policies.

## 2. THEORY OF *PATH DEPENDENCE*

“History matters” is the most basic simplification of the theory of path dependence. While this is true, and past does indeed influence the future, this is a very narrow scope of utilizing this concept. *Path dependence* is not only a theory of self-reinforcing feedback loops that demonstrate stability and confirm hindsight bias. When applied methodically in an interdisciplinary context, it can offer explanations of “deviant outcomes” defined to “analyze cases in which an outcome that had been predicted by theory did not occur” and “diverges from theoretical expectations” (Mahoney 2001). Path dependence as applied by James Mahoney is used for studying institutional reproduction over long periods of time, which makes it suitable for the purpose of this thesis.

### **The original understanding of *path dependence***

The original *theory of path dependence* was used in neoclassical economics and technological development. Initially applied to the understanding of adoption and diffusion of technological standards, the finding showed “an early decision to pursue a particular technology gave that technology a market advantage even if, under a ‘pure’ market, a newer, better technology should have been victorious (North, 1990)”. This was termed *positive feedback*.

Paul David names the conditions required for a *path dependent* development that is self-reinforcing thus has *positive feedback*. According to him, the following criteria must be met: “1) system scale economics; 2) technical interrelatedness; 3) quasi-irreversibility” (1985). System scale economics refers to the initial set-up costs that decrease in time. Technical interrelatedness refers to both: the hardware and software compatibility as well as the coordination effects of an actor having to learn to use the technology. Quasi-irreversibility is similar in that it is less likely the actor would invest the time to learn another system.

David uses the example of the original QWERTY layout of keys on a typewriter to illustrate his conditions for *positive feedback*. He points out the inefficiency of this layout and the multiple available alternatives. Yet “as more people learn to use, and teach the usage of, the keyboard, the costs of switching to another format are prohibitively high” (David 1985). As a result, our computers today continue to use the QWERTY key layout.

WB Arthur uses similar condition requirements for *positive feedback* to occur. They are: 1) high set up costs; 2) learning; 3) coordination effects” (1994). The initially high set up costs should decrease as consumption continues thus creating *positive feedback*. Learning can be illustrated in terms of a learning curve, which lowers in time. Coordination effects are a potential for increasing returns.

### **Extensions of *path dependence***

Since the origin of the concept, there have been many extensions used to explain institutional and organizational change in political science and sociology. Outside of the field of economics, which was primarily based on the idea of equilibrium, *path dependence* expanded on the notion of *positive feedback*. Additionally, a consideration for agency, networks and coalitions was much more prevalent in the new extensions.

Douglass North furthered the theory by adding a focus on institutional change and increasing returns to institutions. He defines “Institutions are the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction” (1990). North added *limited rationality* as sources of *path dependence*. Since actors drive institutional change, the change is limited by their capacity to learn and constraints of rational choices such as cost-benefit analysis. The difference in North’s version of *path dependence* is that it does not necessarily facilitate replicable outcomes.

Paul Pierson applied *path dependence* to the field of political science. He believed this approach was even more useful looking at political institutions than economical ones. For him, self-reinforcing and increasing returns were still at the core of *path dependence*. By continuing to exist, institution reinforced their path. However,

transitioning from an economic to a political study required consideration for the *collective actions* of actors and institutions, *corresponding collective action problems*, *power asymmetries*, thus attributing more power to agency. Pierson's condition requirements for *positive feedback* consist of a "1) Central role of collective action; 2) High density of institutions; 3) Possibilities for using political authority to enhance asymmetries of power; 4) Intrinsic complexity and opacity" (2000).

*Collective* and *corresponding collective action problems* "make institutional reforms less likely than in the more competitive and thus flexible environment of a market" (Pierson 2004). There are more votes to get past to bring about change in collective situations. *Power asymmetries* are other ways actors can skew "rules of the game" and increase their positions. The level of opacity also influences the conditions of *positive feedback* in the field of political science. "It is much more difficult to measure success in the political sphere than in the economic sphere and consequently it is more difficult to decide how to change an institution (Pierson 2004)".

Pierson also cites North's mention of "*time horizons*" where a politician is solely concerned with decisions taking place during his or her electoral term. From all of the above considerations, Pierson emerged with his conditional requirements for *positive feedback*. Johann N. Neem describes them "First, there must be large setup or fixed costs. Second, people learn to use and become committed to the existing policies and institutions. Third, coordination effects, in which the pursuit of a particular direction creates externalities, make it difficult to shift. Finally, adaptive expectations emerge in which people's ideas about the future are framed around the existing structures (2016)".

Collier & Collier, Moore and Skocpol focused on historical institutionalism. In this perspective, institutions have legacies that are subject to future conflict and potential reproduction. These symbolize the different "pathways" they can take on. The change largely rests on the idea of "*windows of opportunity*" where a potential variable can "freeze" or "crystalize" the pathway (Lipset&Rokkan 1967). *Critical junctures* "place institutional arrangements on paths or trajectories, which are then very difficult to alter (Pierson, 2001)". Lipset and Rokkan used this framework to trace the origins of Western European party system to three *critical junctures* (1967). They called these "decisions and developments" that shaped mass politics. A common feature of *critical*

*junctures* are the “small contingent events” that play a crucial role in shaping a path (Pierson 2004).

New institutionalism in organization theory brings attention to explaining continuity and uncertainty. Overtime, actors take actions fore granted and simply as the “right” way of doing things. These “scripts” as Thelen calls them, arise in the process of institutionalization and often shape a common view (1999).

### **Historical-sociology extension of *path dependence***

The *theory of path dependence* I will apply in my analysis of the American educational system comes mainly from a sociological perspective of James Mahoney. The interdisciplinary historical methodology Mahoney applies is best suitable to study large, often global, systems and their irregularities that cannot be explained over short terms. Mahoney is a contemporary of Pierson and Thelen. He offers a systematic typology that accounts not only for explanations of institutional stability, but also change.

In understanding the features of *path dependence*, James Mahoney first references the causal process “that is highly sensitive to the events that take place in the early stages of an overall historical sequence” (Pierson 2000). As Paul Pierson notes, in a “*path-dependent* pattern ‘earlier parts of a sequence matter much more than later parts’”. Second, the historical events must be contingent, meaning they cannot be explained by any previous theory. And third, “once contingent historical events take place, *path-dependent* sequences are marked by relatively deterministic causal patterns or what can be thought of as “inertia” (Mahoney 2000).

Another tool for examining *path-dependence* is through *causal sequences*. They are split between *self-reinforcing* and *reactive* types. *Self-reinforcing sequences* move along a linear direction and with each step make it more difficult to reverse that direction. The QWERTY example is *self-reinforcing sequence*. In a *reactive sequence*, “each event in the sequence is both a reaction to antecedent events and a cause of subsequent events” (Mahoney 2000). This means that a small change can add up to a large difference over time.

The typology of *path-dependent* explanations of institutional reproduction compiled by Mahoney will serve as a framework for my further analysis. It is described in the table below. I will provide explanation of my application of this typology in the methodology chapter.

Table 1. Typology of path-dependent explanations of institutional reproduction

	<i>Utilitarian explanation</i>	<i>Functional explanation</i>	<i>Power explanation</i>	<i>Legitimation explanation</i>
Mechanisms of reproduction	Institution is reproduced through the rational cost-benefit assessment of actors	Institution is reproduced because it serves a function for an overall system	Institution is reproduced because it is supported by an elite group of actors	Institution is reproduced because actors believe it is morally just or appropriate
Potential characteristics of institution	Institution may be less efficient than previously available alternatives	Institution may be less functional than previously available alternatives	Institution may empower an elite group that was previously subordinate	Institution may be less consistent with values of actors than previously available alternatives
Mechanisms of change	Increased competitive pressures; learning processes	Exogenous shock that transforms system needs	Weakening of elites and strengthening of subordinate groups	Changes in the value or subjective beliefs of actors

Source: Mahoney 2000

### 3. METHODOLOGY

I will use James Mahoney's sociological perspective of institutional analysis because it provides four explanations that are most inclusive of a broad topic like education. They are: utilitarian, functional, power and legitimacy. Because school choice policy debates are largely grounded in how educational funding is distributed, I intend to focus primarily on the utilitarian explanation grounded in economics, however, these approaches are meant to be interdisciplinary and are not mutually exclusive.

I borrow the term "*founding moments*" from historical institutionalism to mark the beginning of institution of public education. This is due to my limitation in theory application and literature review where I am not able to precisely mark the *contingency* points. Mahoney advocates that all path dependency is contingent but since this is not a linear method, not being able to identify it does not prevent further analysis. "*Contingency* refers to the inability of theory to predict or explain, either deterministically or probabilistically, the occurrence of a specific outcome" (Mahoney). In other words, it is a starting point of a new path which cannot be predicted using previous sequences.

What I call the "*founding moments*" Mahoney himself would prefer to call "*critical junctures*" because they are "characterized by the adoption of a particular institutional arrangement from among two or more alternatives" (2000). Mahoney suggests it is useful to consider alternative outcomes when delimiting *critical junctures*. Take the *founding moment* of separation of church and state as an example. Had religious education persisted, the financing and general organization of our education system would have been aligned with values of the church which would hold very different implications for our society as a whole, as one example. I will differentiate between *critical junctures* that are the first of a kind in a sequence as *founding moments*; however, the terms can be used interchangeably.

My analysis will begin with listing all *founding moments* and *critical junctures*, primarily in the Historical Background – Part 1 chapter. In addition to examining education policies, I will also give select socio-political, legal, economic and cultural



context. Due to the limited nature of this thesis, I will only focus on large-scale events or ones directly related to the topic of education. Because the first chapter of historical background addresses the formation of schools, I will also list: types of schools, their funding methods, access to education, enrollment and the pedagogy practiced. At the end of the section, I will cross-reference all *critical junctures* with socio-political events and distill trends I will refer to as founding “principles”. These are the building blocks of the American education system. Throughout the thesis I will seek out further critical junctures that and link them to existing principles, or create new categories. The purpose of this practice is to build a common historical understanding of the role of public education.

The Historical Background – Part 1 chapter also includes an analysis of the positive feedback in decentralized education system. I focused on this specific *principle* because it is distinctly unique to the American system. It is at the root of many educational debates and by highlighting it; I hope to clarify its origins.

The Historical Background – Part 2 chapter is centered around three main education policies, however, I continue to provide socio-political background throughout. In my analysis, I compare the three main policies based on emerging trends. These trends are aligned with the previously identified principles to form sequences. Although most of the sequences appear to be self-reinforcing, it is not in the scope of this thesis to methodically identify them as such.

The goal of the Historical Chapters is to identify *path-dependent* principles in public education. The following chapter on School Choice compares whether school choice policies reinforce or challenge the principles in public education as well as the ones identified by the U.S. Department of Education.

The final analysis of this thesis is based on James Mahoney’s mechanisms of institutional reproduction (see Table 1). It is synthesized into four explanations: utilitarian, functional, power and legitimation. By comparing the narrative findings I will identify the likelihood of institutional reproduction of public education.

This thesis is concerned with a theoretical analysis. Secondary data applied comes from the National Center for Education Statistics and the Bureau of Census Statistics.

#### **4. HISTORICAL BACKGROUND – PART 1**

This section gives historical context with consideration for types of schools, their funding, access to education, enrollment rates, pedagogy, law and major cultural trends. The narrative is focused on the political climate that frames key events identified at the end of each sub-section. This review is limited to the major educational trends and does not intend to cover all education-related happenings.

##### 4.1 THE 17<sup>TH</sup> AND 18<sup>TH</sup> CENTURIES

The early colonies relied on home-schools and religion-based education. Only the elites had access to private education, which also took place at home in the style of tutorship (Paterson 2017). The first official school was the Boston Latin School opened in 1635 (Race Forward 2017). It was only available to male students; the curriculum was limited to an equivalent of a basic grammar school and pupils of all ages studied together in one room (BLS History 2017).

As the colonies expanded, the need for basic education increased. In 1647 the *Massachusetts Law*, also known as the *Old Deluder Satan Act* was passed (Race Forward 2017). It ensured that every town of 50 families or more had a schoolmaster and a Latin grammar school was available in towns of at least 100 families (Paterson 2017). All children were expected to read the Bible, which grounds the origins of the American education in religious principles of the Puritans.

To sponsor compulsory education a tax system was put in place that strongly took after the one visible in England. In *The Local Property Tax for Public Schools: Some Historical Perspectives*, Bill Walker describes the development of a flat fee poll tax, land-based property tax and a potential income-earning faculty tax that was taking shape

on provincial and local basis (1984). A similar system was replicated throughout New England.

A shift from religious to secular ideology required further support from states to fund schools instead of churches. Thomas Jefferson was a famous advocate for a free, tax-supported, public school system. He coined the term “separation of church and state”, referring to the *Establishment Clause* and *Free Exercise Clause* in the *First Amendment* of the *U.S. Constitution* (1787). It states that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof..."(U.S. Constitution). This put an end to direct financing of parochial schools by the government.

In 1791 the newly ratified *Bill of Rights* further solidified the responsibility of education within the states. The *Tenth Amendment* stated that, “the powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people” therefore this responsibility is primarily left up to the state and local bodies.

Table 2. Summary of key events during the Colonial Era

	17 <sup>th</sup> century	18 <sup>th</sup> century
Types of schools	Home, church, Latin schools	Private, Latin Schools
Funding	Private, local property tax in Massachusetts’ towns of 50 families or more	Private, local property tax
Access to education	Limited to wealthy, white males	Limited
Enrollment	Low, rural	Low, rural
Pedagogy	Religious, basic grammar	Secular, basic grammar
Legal	Massachusetts Law	First Amendment Tenth Amendment
Socio-political events	Immigration, building of nation-state	Immigration, building of nation-state

In sum, the colonial 17<sup>th</sup> and 18<sup>th</sup> century America initiated the building of its nation-state. Families were responsible for the education of their children, in cases where their socio-economic status allowed. Expansion of towns due to immigration called for creation of a school system and ways to fund it. However, these laws predominantly applied to the New England states and pertained to white residents only. In the following section, we will examine 19<sup>th</sup> century trends that shaped America's education which include industrialization, immigration and racial disparities.

The critical junctures identified in this section are:

- 1) Introduction of a local tax system to fund education (1647)
- 2) Separation of church and state codified in U.S. Constitution (1787)
- 3) States' autonomy over education codified in U.S. Constitution (1791)

## **4.2 THE 19<sup>TH</sup> CENTURY**

### **4.2.1 COMMON SCHOOLS**

What resembles the public school as we know today was introduced by education reformer, Horace Mann. Industrialization in the 19<sup>th</sup> century brought about an influx of workers to large cities and demand for schools increased. Mann was the Secretary of Education in 1837 and founded the non-sectarian "common schools". He was influenced by the *Prussian System* that served as the blueprint for public education in America (Warder 2015). It called for free compulsory schooling for all boys and girls and was funded by the taxpayers. "Age-grading" divided students into learning cohorts we are familiar with today. Curriculum became standardized on the local level for each grade to ensure quality. More emphasis was placed on teacher preparation.

Mann had a vision for the newly elected Republican government. In a Massachusetts school board report, he addressed the elitist inequalities present in European systems and warned against such dangers in the U.S: "the establishment of a republican government, without well-appointed and efficient means for the universal education of the people, is the most rash and fool-hardy experiment ever tried by man" (1848). He

went on to conclude, “education, then, beyond all other devices of human origin, is the great equalizer of the conditions of men--the balance-wheel of the social machinery” (Mann 1848).

Common schools became the new model for education and the territory outside of New England that implemented them on the largest scale was Ohio. In 1825 a state wide property tax law designated “a 1/20 of 1 percent of county taxes for schools (Neem, 2015). The commissioner in 1857, H.H. Barney, described the investment of the three million dollar permanent infrastructure on top of three million dollars of annual expenditures of which “nine tenths are produced by taxation” (Neem, 2015). This resulted in a school district that was built to serve 800,000 students.

It is important to note that many groups opposed such laws, however, due to the influx of immigrants the demand for education grew exponentially. Nathan Guilford, the Cincinnati Superintendent of Common Schools spoke about immigrants’ diversity “there is but one remedy to guard us against the anarchy and mis-government to which such a chaotic mass of ignorance, prejudice, and foreign habits and opinions, must necessarily lead. We must educate them all!” (1852).

The common schools revolutionized and locally normalized educational practices. Individual states’ constitutions now included property tax laws that funded these schools, with Ohio as the leader in one of the largest development projects in the nation. With enrollment at 50%, another institutionalized development in this period was the creation of the *National Teachers Association* in 1857. This first teachers union had 100 members whereas today, the National Education Association has over 3.2 million members (Battistoni 2012).

#### 4.2.2 CIVIL WAR AND RECONSTRUCTION ERAS

While public education started to become a crucial tool for “Americanizing” the population, it was evident that it favored the dominant class’ values without regard for native language and culture. Compulsory attendance laws forced Native American

students into Indian boarding schools where they were required to assimilate, much of their language and culture was lost (Noltemeyer 2012). Africans brought to America as slaves were not given rights to an education until the Reconstruction Era that followed the Civil War in 1865.

Common schools did not exist in the South. Many states held a legal ban on educating African Americans. The wealthy educated their children privately and all poor, black and white, children went without an education. The Morrill Land-Grant Colleges Acts of 1862 and 1890 provided some tax money for colleges, which included black schools (Krowl 2011).

Slavery was officially abolished in 1865 and codified in the *Thirteenth Amendment* of the *US Constitution*. This meant that all of the freed slaves needed to seek employment and send their children to schools. Additional rights were guaranteed to citizens under the *Equal Protection Clause* of the *Fourteenth Amendment* where: “all persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens in the United States and of the state wherein they reside. No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any state deprive any person of life, liberty or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the law” (1868). Even though education was not directly mentioned in the *Fourteenth Amendment*, it placed great impact on schooling of African-Americans.

The Freedman Bureau, taking name after “freed slaves” was in charge of protecting the legal rights of freedman including their right to education. The Bureau set up schools across the South and by the end of 1865, 90,000 freedmen were enrolled. These schools were heavily segregated, specifically in the Deep South but they still received tax funding when the Republican government took over in 1867. The creation of new schools brought job opportunities for teachers. Many educated “Yankee” women moved to the South to help with the abolitionist movement. About a third of the teachers were black. Education and especially higher education played a crucial role in the upward mobility of African-Americans. Michelle Krowl points out, that the black students were very committed in improving their racial equality by becoming community leaders (2011).

### School segregation - *Plessy v. Ferguson*

Segregation reached its zenith in 1896 when the *Plessy v. Ferguson* case went to the Supreme Court. Homer Plessy challenged the segregated train seating arrangements. The case resulted in the “separate but equal ruling”. The Supreme Court legitimized segregation as long as the facilities and services provided to both races were equal. Soon after, many other segregation laws followed, known as the Jim Crow Laws. The term takes after a derogatory term for “negro”. Separate spaces were created in public and private areas for whites and blacks but they were nowhere near equal. Schools were among the most impacted spaces. Black schools lacked materials, facilities and funding compared to their white counterparts. Taxes for education were collected from all citizens but funding was disproportionately provided to white schools (*Cummings v Richmond County Board of Education*, 1899). Black educators and activists like Booker T. Washington and W.E.B. Du Bois relied on countering these effects by providing quality higher education to African Americans. Booker T. Washington also opened black “Rosenwald” schools in the Jim Crow South to provide solutions to the lacking education for black children (Noltmeyer 2012).

Integration of African Americans and immigrants was integral to power the Industrial Revolution. Large cities formed around factories and most workers moved into urban areas in order to accommodate their new lifestyles. The demand for education increased and the country experienced a rapid expansion of schooling infrastructure. In 1890 “local property taxes accounted for 69.7% of all public education revenues in the United States” (Brubacher 1966). Along with the steady increase in mass enrollment at the turn of the century came questions about the role of education and the best way to implement it.

The American philosopher and the “father of progressive education”, John Dewey, developed the most sustained reflection on progressive education, linking education and democracy. Douglass Kellner describes Dewey’s rationale in *Toward a Critical Theory of Education* “one could not have a democratic society without education... everyone should have access to education for democracy to work, and that education was the key to democracy and thus to the good life and good society”(2003). For Dewey, “education

was the key to making democracy work since in order to intelligently participate in social and political life, one has to be informed and educated to be a good citizen and competent actor in democratic life” (Kellner 2003).

#### 4.2.3 PROGRESSIVE EDUCATION

Dewey established his Laboratory School in 1896 where he focused on two essential elements: *Respect for diversity* and development of *critical, socially engaged intelligence*. This is what is now called a “child-centered” approach. Prior to this time, education was a main tool of unifying whereas now, emphasis was placed on diversifying. As a pragmatist, he believed learning originates in practice. Much of Dewey’s writing influenced pedagogical practices worldwide. Among some of his best-known works are *The School and Society* (1900), *The Child and the Curriculum* (1902), *Democracy and Education* (1916), *Experience and Education* (1938).

Table 3. Summary of key events in the 19<sup>th</sup> century

19 <sup>th</sup> century	
Types of schools	Common schools, Some private black schools in the South
Funding	Local property and state tax
Access to education	Discriminating of African Americans
Enrollment	50 %, low in the South
Pedagogy	Prussian system, progressive education
Legal	13 <sup>th</sup> Amendment (1865) 14 <sup>th</sup> Amendment (1868) <i>Plessy v. Ferguson</i> justifies segregation
Socio-political trends	Immigration, Industrialization, Urbanization Civil War, First teacher’s union

In sum, the Southern states experienced a much later development of schooling infrastructure. The social inequalities put their residents at a great disadvantage. Private



efforts to create opportunities for African Americans were significant in reviving these regions although historical set backs continue to play a role in the South today. Ideological shift to progressive education in the 20<sup>th</sup> century emphasized the multicultural society United States continues to be today.

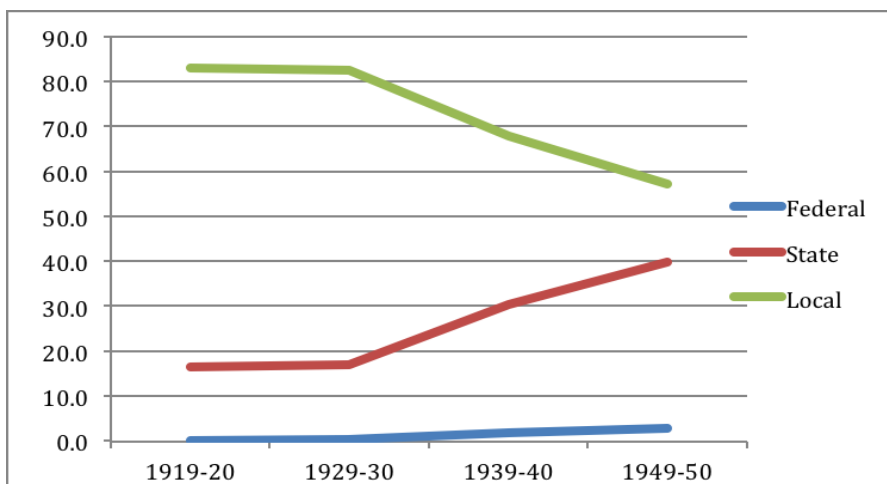
The critical junctures identified in this section are:

- 4) Legal rights to an education codified in the 14<sup>th</sup> Amendment (1868)
- 5) Regional disparities, predominantly in Southern states
- 6) Institutionalized racism, *de facto* segregation

### 4.3 EARLY AND MID 20<sup>TH</sup> CENTURY

In 1918 all states instituted laws requiring mandatory school attendance for children through elementary school (Noltemeyer 12). Local taxes provided 83% of the total educational revenue, state collected 17% and 0.3% came from the federal government. This changed during the Great Depression when local governments could not afford to pay the generous property taxes. Although states managed to pick up some of the slack, between 1932-33, 14 states placed tax limitations on school funding (Walker 1984). Overall, state aid increased to 30% by 1940. Federal support for schools also increased from 0.3% in 1930 to 8.1% in 1979.

Figure 1. Sources of revenues for education funding distributed as percentages



SOURCE: U.S. Department of Education, National Center for Education Statistics

#### 4.3.1 NATIONAL DEFENSE ACT

During the 1950s, a clash between two world superpowers and contradictory ideologies resulted in the Cold War. The communist Soviet Union posed a threat to democrat capitalists in the United States and its NATO allies. Education and technological advancement became one of the fronts of this proxy war (Nelson, Weinbaum 2016). With the news of Sputnik launched into space, Soviets were gaining advantage over the Americans. In 1958, LIFE magazine ran a story showing parallel lives of two students: one in Moscow and one in Chicago. The article entitled “Crisis in Education” shamed America’s school system and called it mediocre. In the same year, President Eisenhower signed *The National Defense Education Act* (NDEA). “The Congress hereby finds and declares that the security of the Nation requires the fullest development of the mental resources and technical skills of its young men and women. The present emergency demands that additional and more adequate educational opportunities be made available. The defense of this Nation depends upon the mastery of modern techniques developed from complex scientific principles. It depends as well upon the discovery and development of new principles, new techniques, and new knowledge (Nelson, Weinbaum 2016).” This legislature signified an increased need for federal interventions in matters of public education.

Domestically, the United States experienced civil turmoil. The “separate but equal” practices were still justifying racial discrimination. Several court cases were filed to challenge this ruling but it was not until 1954 that the Supreme Court finally addressed segregation.

##### School desegregation - *Brown v. Board of Education of Topeka*

Efforts to desegregate schools were noted in 1930s and 40s in Maryland and California but it was not until *Brown v. Board of Education of Topeka*, that segregation became illegal. The plaintiff, Oliver Brown, sued his school district in 1951 for requiring his daughter to commute long distance to a black school, when a white school was much

closer. The court in Kansas cited the *Plessy v. Ferguson* ruling and upheld the segregation law. After years of appeals, the Supreme Court ruled unanimously against school segregation in 1954. “We conclude that, in the field of public education, the doctrine of ‘separate but equal’ has no place. Separate educational facilities are inherently unequal. Therefore, we hold that the plaintiffs . . . are, by reason of the segregation complained of, deprived of the equal protection of the laws guaranteed by the Fourteenth Amendment (347 U.S. 483).”

While *de jure* segregation happened on paper, *de facto* practices continued to ignore this law, specifically in the South. One such way to avoid the legal obligation to integrate students came from the economist Frank Chodorov. He saw the federal intervention in local matters of education as “socialist” and called for “de socializing” of education in his 1948 article *Why Schools are Not Free*. His solution to the compulsory education problem was a remission of tax revenues to parents in order to support their choice of education. “There are no faults in the public school that competition would not eradicate. And the improvement would come easily and automatically, entirely without resort to political methods. The mere matter of tax remission would settle all our school problems (Nash 1977)”. Chodorov’s remission tax allowed families to continue segregating schools in the name of market-efficiency. In 1955, Milton Friedman published *The Role of Government in Education* where he rebranded Chodorov’s tax, a “voucher”. Friedman opposed segregation yet his free-market values to desegregation read as: “Privately conducted schools can resolve the dilemma. They make unnecessary either choice. Under such a system, there can develop exclusively white schools, exclusively colored schools, and mixed schools. Parents can choose which to send their children to (Fiala 2010)”.

Table 4. Summary of key events in the early to mid 20<sup>th</sup> century

Early to mid 20 <sup>th</sup> century	
Types of schools	Public schools with mandatory attendance
Funding	Local (57%), State (40%), Federal (3%)
Access to education	Legal access for all students
Enrollment	93% in 1990
Pedagogy	Progressive education

Legal	National Defense Act Brown v. Board of Education – de jure desegregation
Socio-political trends	Global competition Focus on science and technology Civil Rights Movement Cold War, remission tax

In sum, the mid 20<sup>th</sup> century America entered the global competition over the space race with Russia. Cold War brought international context for American students who were identified as having under-performed. Domestically, the country saw much civil unrest. Federal government intervened to end racial segregation in schools and equal access to education became a legal priority. However, the federal government does not possess any enforcement power beyond the judiciary system. Southern states found their way around desegregating schools by using Chodorov's remission tax, the precursor to a voucher.

The critical junctures identified in this section are:

- 7) Federal funding
- 8) Equal access to education
- 9) Global competition in education

## 4.4 CONCLUSIONS AND ANALYSIS

### 4.4.1 CRITICAL JUNCTURES AND FOUNDING PRINCIPLES

This analysis shows the influence of the socio-political trends on the development of the education system and results in the “principles”, what I will later refer to as sequences, we observe today. Table 5 summarizes the select socio-political trends and shows their effects on the types of schools, source of revenue for school funding, access to education, enrollment rates, pedagogy practices or theorized and laws.

Table 5. Summary of key events up to 1960

	17 <sup>th</sup> century	18 <sup>th</sup> century	19 <sup>th</sup> century	20 <sup>th</sup> century (to 1960)
Types of schools	Private, home, church, Latin schools	Private, Latin Schools	Common schools, some private black schools in the South	Public schools with mandatory attendance
Source of Revenue	Private, local property tax in select colonies	Private, local property tax	Local property and state tax	Local (57%) State (40%) Federal (3%)
Access to education	Limited by gender, race and economic status	Limited by race and economic status	Limited by race and economic status	Legal access for all students
Enrollment	Low, rural	Low, Rural	50 %, low in the South	93% in 1990, urban
Pedagogy	Religious, basic grammar	Secular, basic grammar	Prussian system	Progressive education theory introduced
Legal	Massachusetts Law	First Amendment Tenth Amendment	13 <sup>th</sup> Amendment -1865 14 <sup>th</sup> Amendment -1868 <i>Plessy v. Ferguson</i> - justifies segregation	National Defense Act <i>Brown v. Board of Education</i> – de jure desegregation
Socio-Political trends	Building of nation-state, immigration	Immigration, expansion of nation-state	Mass immigration, industrialization, urbanization, Civil War	Civil Rights Movement, Cold War, global competition in science

Table 6 shows how the dominant socio-political trends contributed to the creation of the critical junctures and the *principles/sequences* they correspond to today. The founding principles are practices the U.S. Department of Education still holds true today. They

are: decentralized system of education, secular education, universal access, decreasing the inequalities/achievement gap and global competition.

Table 6. Synthesis of socio-political influence critical junctures and principles

Socio-political events	Principles	Critical junctures and Founding moments*
Building of the nation-state	Decentralized system of education	1) Introduction of a local tax system to fund education (1647)*
		3) States' autonomy over education codified in U.S. Constitution (1791)*
	Secular Education	2) Separation of church and state codified in U.S. Constitution (1787)*
Civil War, Civil Rights Movement, Immigration, Industrialization, Urbanization	Universal Access	4) Legal rights to an education codified in the 14 <sup>th</sup> Amendment (1868)*
	Inequalities/Achievement Gap	5) Regional disparities, predominantly in Southern states
		6) Institutionalized racism, <i>de facto</i> segregation
		8) Equal access to education (school desegregation, attendance laws)
Cold War, Global Competition	Global competition	7) Federal funding introduced*
		9) Global competition in education

The building of a nation-state in the first two centuries called for the development of a funding scheme which resulted in the local, mainly property, tax system. This gave states autonomy over their funding. Furthermore, the *Tenth Amendment* of the *U.S. Constitution* codified the responsibility over education on state and not national level. The decentralization of the education system is one of the principles enforced today.

A top-down policy implementation was the decision to separate church and state, with Thomas Jefferson spearheading this movement. It ended public funding to parochial schools, which brings us to the next principle.

Universal access to education for all students was codified in the *Fourteenth Amendment* of the *U.S. Constitution* and is still one of the principles listed as a key federal goal by the Department of Education. However, the nature of American history, mainly slavery and the Civil War made this a difficult goal to achieve.

Closing of the achievement gap has been among the top priorities of the U.S. government at all levels. The Department of Education defines it as “the disparity in academic performance between groups of students” and “is most often used to describe the troubling performance gaps between African-American and Hispanic students, at the lower end of the performance scale, and their non-Hispanic white peers, and the similar academic disparity between students from low-income families and those who are better off” (NAEP 2017).

The last *principle* identified in this section is global competition. At no other time in history has this it been more influential than today. Current education reforms cite it as a prime reason to update the system of American education.

#### 4.4.2 POSITIVE FEEDBACK OF THE DECNTRALIZED SYSTEM

Several sequences launched from the founding moments and critical junctures described in the sections above. For the purpose of a utilitarian analysis, I will focus on one of the most peculiar features of the American education system: decentralization of power. The main policy instrument here is the *U.S. Constitution*, however, generating revenue at the most localized source preceded the *Tenth Amendment*. Born out of necessity to educate children and heightened through immigration trend, property taxes were the main source of revenue to pay for schools. To demonstrate the positive feedback, I will use simple economic diffusion/adaptation criteria:

- 1) Large fixed costs
- 2) The learning curve
- 3) Coordination effects

#### Positive feedback criteria 1: Large fixed costs

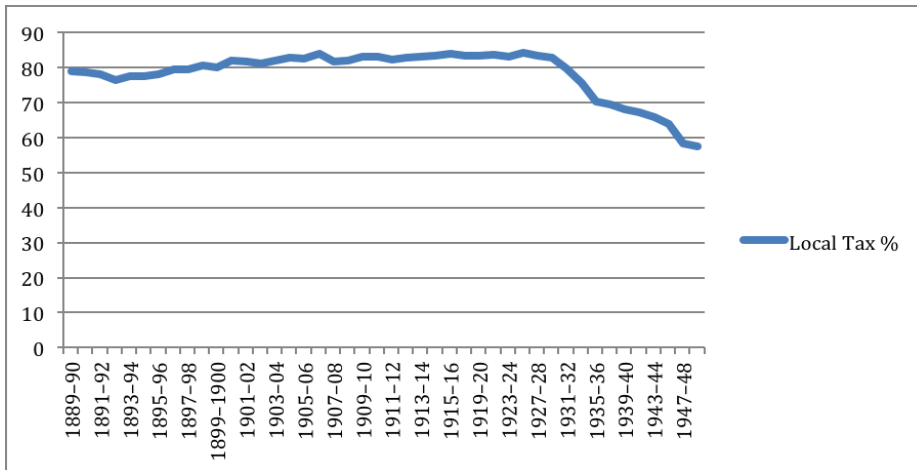
Path dependence as described by Pierson, requires an initial set-up costs that shows commitment to a given project. We can clearly see this investment in the case of American education system. The example of Ohio shows the magnitude of the initial set-up costs of establishing of local school boards and building the schoolhouse infrastructure:

“An investment of upward of three millions of dollars in permanent structures, and an annual expenditure of nearly three millions of dollars—nine tenths of which sum last named is produced by taxation—is a financial fact of great significance; while the application of so munificent a provision, under the administration of thirty thousand school officers and twenty thousand teachers, to the education of eight hundred thousand youth, is a fact transcending all material considerations by its relation to the moral and political welfare of the people.” —Ohio commissioner H. H. Barney’s introduction to James W. Taylor, *The Ohio School System and School Laws in Force* (Neem 2015)”.

Setting up school infrastructures varied throughout the country but like in the case of Ohio, was a significant investment. Local taxes provided most revenue for education, around 80% until 1930 (Figure 2). Property taxes accounted for roughly 90% of local tax (Figure 3). States did, however, face pushback to these policies and eventually capped their taxes to varying extents.

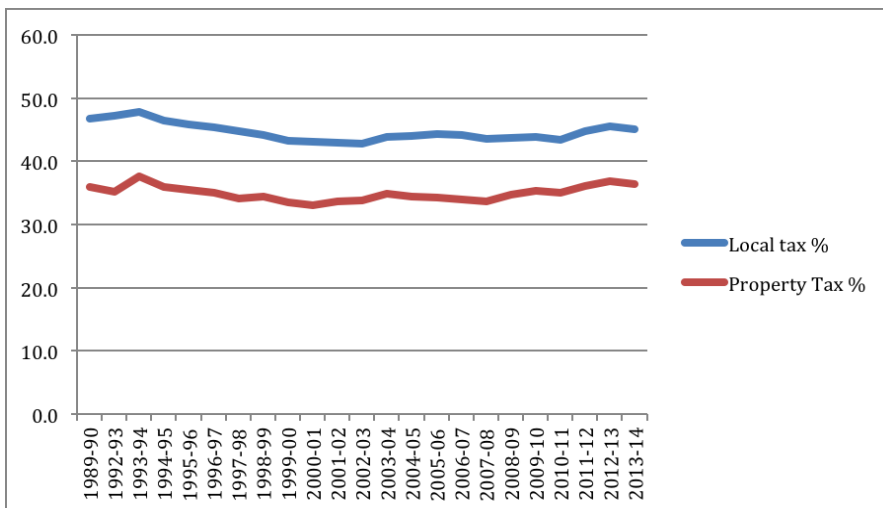


Figure 2. Revenue from local taxes from 1898-1948



Source: U.S. Department of Education, National Center for Education Statistics

Figure 3. Revenue from local and property taxes between 1989-2014



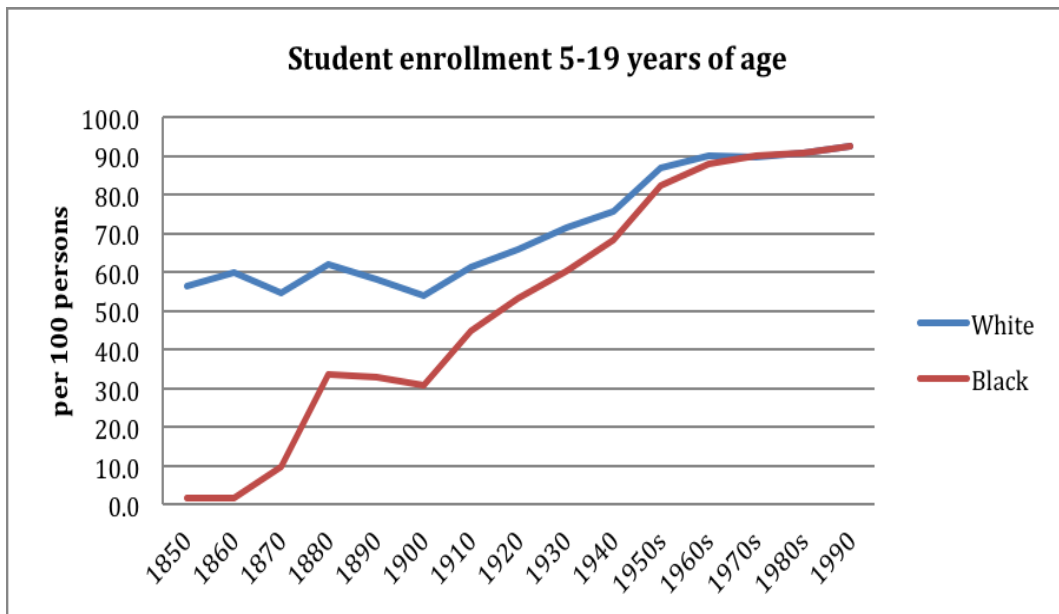
Source: U.S. Department of Education, National Center for Education Statistics

The large fixed costs associated with building the educational infrastructure showed an investment and commitment of the taxpayers to support the project of public schooling. This set up a firm foundation of legitimacy for public education.

### Positive feedback criteria 2: Learning

Pierson describes the second condition to positive feedback, learning, as the need for “people learn to use and become committed to the existing policies and institutions”(2004). Once the school infrastructure was set up, people became accustomed to using it. The difference with a service like education is that it is mandatory. However, school choice options can send families to non-public schools. In the case prior to 1960s, this was not as readily available and population growth was steadily increasing. In 1990 there were 76.1 million people in the United States and by 1960 there were 180.7 million (Snyder 1993). Enrollment in schools drastically increased. In 1850 the enrollment rate was at 47.2% and by 1960 it was at 88.6%.

Figure 4: Student enrollment from 1850 to 1990 by race



Source: Snyder 1993

The school infrastructure itself gained legitimacy through increasing enrollment.

However, the second condition for positive feedback should be applied to property taxes. All throughout the 1900s property tax accounted for well over 40% of the

revenue for school funding. Although states did express dissatisfaction, even today property taxes remain one of the highest revenue sources for local public schools.

### Positive feedback criteria 3: Coordination effects

Coordination effects are increases on returns. Richard G. Sims studied *School Funding, Taxes, and Economic Growth An Analysis of the 50 States*. He found that “the number of jobs created by increasing education spending is larger than the number of jobs lost from increasing taxes to support that spending” (2004). From a non-economic point of view, coordination effects are self-reinforcing in time by the sheer continuation of the institution.

## **5. HISTORICAL BACKGROUND – PART 2**

### The 1960s

The 1960s in America were a turbulent time. Internationally, the Cold War continued. Troops were deployed to Vietnam, close calls with Cuba spurred fear of nuclear attacks. Democratic President Kennedy replaced the Republican Richard Nixon in 1960 and was assassinated three years later. His successor, President Lyndon Johnson, inherited a nation ridden with civil turmoil and inequalities in the face of growing global competition. In 1964, he signed the *Civil Rights Act* to aid in efforts towards racial integration. Under new laws, school districts that continued segregation and did not provide an equal access to education lost their federal funds. In this way federal money was used as a carrot incentive approach.

### **5.1 ELEMENTARY AND SECONDARY EDUCATION ACT**

The aftermath of decades of racial discrimination left minority students at an educational disadvantage. Economically, the poverty rate in the 1960s was at 22%

(Morrill 2015). Disparities in poor, mostly urban, schools have been identified as a growing systemic problem (Riccio Gardner 1961).

The *Great Society* program launched a War on Poverty. Education reform was a key part of this battle. The *Elementary and Secondary Education Act* (ESEA) aimed to target and redistribute funding to students from low-income families. ESEA was meant to “bridge the gap between helplessness and hope for more than 5 million educationally deprived children” and made “a new commitment to quality and to equality in the education of our young people” (Gamson, McDermott, Reeds 2015). A total of USD 4 billion was invested in this policy. ESEA included:

Title I—Financial Assistance To Local Educational Agencies For The Education  
Of Children Of Low-Income Families

Title II—School Library Resources, Textbooks, and other Instructional Materials

Title III—Supplementary Educational Centers and Services

Title IV—Educational Research And Training

Title V—Grants To Strengthen State Departments Of Education

Title VI—General Provisions

Title I aimed to close the poverty gap through education. It directed USD 1 billion to “educationally deprived” children from low-income families as “compensatory funds” (McGuinn 2015). One of the conditions for receiving this grant was compliance with the *Civil Rights Act* of 1964. The financial incentive gave the federal government leverage and soon results followed. From 1965-66 to 1966-67, “the percentage of African American students in the South who attended school with whites increased from roughly 6 percent to nearly 17 percent. Two years after that, the figure stood at 32 percent” (McGuinn 2015).

Distribution of the Title I block grants rested with State Educational Agencies (SEAs) and was based on counts of poor children from the 1960 census data. An eligible “Title-I school” had at least 40% of students from low-income families. The goal of improving educational opportunities for the poor was clear, however, Jennings points out that “ESEA distributed funds to school districts according to the number of poor children enrolled, but did not specify which services districts should provide to ‘educationally

deprived' children" (2001). The lack of implementation strategies and measurable goals led local districts to often misuse the funding.

Management of federal money at all levels was also a concern. The U.S. Office of Education (USOE) was thus far the main supervisor of education policy, however its role was largely centered on gathering of information. Implementing policies in compliance with the ESEA provisions among other laws required the creation of new entities. The State Education Agencies (SEAs) partnered with USOE to implement new programs. Title V specifically designated USD 25 million to create these new institutions (Hill 2000).

Bureaucracy concerned with administrative compliance expanded. "Between 1964 and 1976, for example, the number of pages of federal legislation affecting education increased from eighty to 360, and the number of federal regulations increased from ninety-two in 1965 to nearly one thousand in 1977 (Rury, Ravitch 1984)".

In sum, the domestic problems in America coupled with growing global competition created a demand for a more centralized plan for education. ESEA incentivized integration efforts and attempted to bridge the gap for disadvantaged students using Title I funding. The law fell short of setting measurable goal in terms of implementation and outcomes, which created opportunities for mismanagement.

Since the birth of ESEA, the Federal government continued to focus its support on the disadvantaged demographics. In 1972, title IX called for gender equity. Three years later, the *Education for All Handicapped Children Act* came into law (P.L. 94-142) and was reauthorized as the *Individuals with Disabilities Education Act* (IDEA) in 1990.

## The 1970s

The 1970s oil crisis marked a transition from Keynesian economic theory to a neoliberal one. Milton Friedman was the key economist who addressed the stagnation of economic growth combined with a high inflation rate, called stagflation. His work on monetary theory and stabilization policy utilized by the Federal Reserve won him the Nobel

Memorial Prize in Economic Sciences in 1976. Friedman advocated for a limited role of government in favor of free-market competition. He believed this to be the most efficient means of governance, including in the field of education. He is the father of “school-choice” policies and we will return to examine his arguments later.

### Magnet schools

The idea of a magnet school first emerged in Virginia following a “freedom of choice” ruling that gave students the choice to select a public school outside of their district that complies with the requirements of racial integration (Mead, Green 2012). In the late 60s, several states converted their schools to fit this model. Their popularity and favorable outcomes attracted a lot of attention. The federal government supported these schools using the *Emergency School Aid Act* (ESAA). Between 1976 and 1980 the number of districts applying for these grants increased from 14 to over 100 and ESAA grants provided up to USD 30 million a year (Steel, Levine 1994).

### Department of Education

In 1979, the former U.S. Office of Education became the U.S. Department of Education (ED). The steady flow of federal dollars to American schools called for institutional changes. The creation of ED was justified using what was generally referred to as the *Welfare Clause*, but specifically it cited the *Taxing and Spending* and the *Commerce Clauses*. “The Congress declares that the establishment of a Department of Education is in the public interest, will promote the general welfare of the United States, will help ensure that education issues receive proper treatment at the Federal level, and will enable the Federal Government to coordinate its education activities more effectively (Pub. L. 96–88 1979)”. Effective education prepared for proper labor market participation, which supported the overall economy and General Welfare. The best way to manage education was thought to be through a centralized department that the Congress has the right to tax. “The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts and excises shall be uniform throughout the United States (Guide to Constitution 2017)”. Official goals of the ED call for: “Establishing policies on Federal financial aid for education, and distributing as

well as monitoring those funds; Collecting data on America's schools and disseminating research; Focusing national attention on key educational issues; Prohibiting discrimination and ensuring equal access to education” (ED 2017).

Other institutions concerned with effectiveness of America’s education emerged at this time, including the *National Institute of Education* and the *National Assessment of Educational Progress*.

1980s

In 1983, President Ronald Reagan criticized the state of American education in the *A Nation at Risk Report*, “Our nation is at risk. Our once unchallenged preeminence in commerce, industry, science and technological innovation is being overtaken by competitors throughout the world” (National Commission on Excellence 1983). Results of this report indicated declining test scores. Berliner and Biddle called this a “manufactured crisis” that “framed public education as a barrier to global economic competitiveness, and thus a threat to national security (1995)”. The blame was largely shifted onto the teachers. Recommendations called for tougher certification requirements, performance based pay and more rigorous curriculum and state standards.

Soon after the report’s publication, critics questioned the validity of the information provided. Statistics showed the declining test scores reported were not in fact declining. Initial benchmark results used for comparison were those of the dominant socio-economic class with most access to education, white middle class boys (Berliner, Biddle 1995). Compared with the more diverse student-body of the time, the outcomes indeed declined. However, when analyzed by subgroups in race, ethnicity, gender and economic background, evidence showed consistent gains.

The president reauthorized ESEA but cut the overall education spending by 15%. This included the ESAA grants for magnet school. Instead, block grants were offered to promote accountability through standardized testing (Nelson Weinbaum 2016). Most states complied in order to bridge the gap in their budgets though the effects of accountability measures were detrimental to disadvantaged students in urban areas. In

1984 dropout rates in Boston, for example, were at 40 percent (Nelson Weinbaum 2016).

Milton Friedman was a key economic advisor to President Reagan at this time. His free-market regulated education ideas were starting to gain traction, especially in the next decade. This era marks a transition to market-efficiency driven goals throughout multiple sectors, including education.

### The 1990s

The 1990s were a period of economic stability and technological innovation. Title I funding set in motion by ESEA continued, however, the educational focus shifted to outcomes. George H.W. Bush, elected in 1989 called for *Time for Results*, a national report card during his presidency. In 1994, Bill Clinton passed the *Goals 2000: Educate America Act*. The Act was focused on outcomes-based education and set the stage for later bills.

In 1991, Minnesota became the first state to pass the *Education by Charter* law. The grassroots approach to chartering education came from Ray Budde in 1974 who wrote *Education by Charter: Key to a New Model of School District*. The New England educator suggested “education contracts” or “charters” that would allow small groups of teachers to start their own schools. In 1988 Budde followed with *Education by Charter: Restructuring School Districts*. This caught the attention of the president of the American Federation of Teachers, Albert Shanker who popularized charter schools as schools of choice. Minnesota was the first state to establish charter schools in 1991 and California soon followed in 1992 (ED 2017). We now have 2.7 million students attending charter schools in 42 states and the District of Columbia.

The U.S. Department of Education defines a *public charter school* as “a publically funded school that is typically governed by a group or organization under a legislative contract (or charter) with the state or jurisdiction” (2017). The charter allows the school to be exempt from some regulations. In exchange for the autonomy, the charter school must prove its effectiveness. Accountability standards are set upon the charter’s creation



and are regularly reviewed. In the event that the school is not meeting their accountability standards, it can be shut down and turned over to another private owner. Public charter schools are considered schools of choice.

## 21<sup>st</sup> CENTURY

Shortly after President George W. Bush took office in 2001, the terrorist attacks of September 11 devastated the nation. The crisis of 9/11 world trade center attacks re-contextualized George W. Bush's plan for education reform.

### 5.2 NO CHILD LEFT BEHIND

President G. W. Bush reauthorized the *Elementary and Secondary Education Act* as *No Child Left Behind* (NCLB) in 2002. He spoke about the “soft bigotry of low expectations” referring to the lack of education standards in the nation and called for 100% of students to be proficient in reading and math by year 2014 (McGuinn 2015). Aggressive measures increased accountability at all levels. Closing the achievement gap, which ED defines as “the difference in academic performance between different ethnic groups” was the priority. The Title I funding formula was revised to better target these students.

First, funding was only allocated to schools that complied with the rigorous procedures. First, states were to identify and set Adequate Yearly Progress (AYP) goals over a three-year period (McGuinn 2015).

Second, measuring progress based on state education standards and individually set AYP goals was required. Annual tests in reading and math were mandated in grades 3-8 and once more in high school. The school report cards collected additional data on race, ethnicity, economically disadvantaged status, limited English proficiency and special education information. This practice was used to ensure all subgroups are being accounted for in showing academic progress and no child gets “left behind”.

Third, institutional accountability measures required schools to be proficient at the risk of losing their federal funding. If a school failed to make their AYP for two consecutive years, it was labeled as a School In Need of Improvement (SINI). If, over a five-year rehabilitation period, the school still failed to produce proficient outcomes, it was turned into a public charter school under new management. During this period, parents of title I students had the legal right to transfer their students into a better performing public or public charter school within their district (Archived: School Choice Fact Sheet - Helping Families By Supporting and Expanding School Choice", 2017). Department of Education reports that between 2006-07, "120,000 eligible students took advantage of this option".

The Secretary of Education, Margaret Spellings commented: "Parents know what is best for their children. Expanding educational options for parents is one of the hallmarks of the No Child Left Behind Act and it remains one of the President's highest priorities".

### **5.3 PRESIDENT OBAMA’S ADMINISTRATION**

#### **5.3.1 Race to the Top**

President Barack Obama took office in 2009, shortly following the financial crisis of 2008. He instituted a \$4.35 billion incentive program called *Race to the Top* (R2T) as part of the *American Recovery and Reinvestment Act*. What set *Race to the Top* apart was its competitive formula. Most programs distributed federal money on a needs-basis whereas R2T asked states to compete for the grants. The criteria for funding were scored using a point system and consisted of the following categories:

- Great Teachers and Leaders
- State Success Factors
- Standards and Assessments
- General Selection Criteria of which “Ensuring successful conditions for high-performing charters and other innovative schools” was a subcategory
- Turning around the lowest-achieving schools and
- Data systems to support instruction (Race Forward 2017)

40 states participated in the first phase of the challenge, 35 in the second, 7 in the third. Overall, only 4 states did not compete for these grants. The 21 winners “serve 65 percent of the nation’s children and 59 percent of the low-income students in the country” commented the U.S. Department of Education in a December 2011 press release.

William Howell studied the impact of R2T on state policies. He located the policy output between 2001 and 2008 to be 10%. In contrast, between 2009-2014 states adopted 68% of reform policies (2015). He also observed that policy reforms were adopted among all states regardless of whether they won grants or not. Alaska, for example, never applied to the program yet it aligned its future along the lines of R2T expectations (Howell 2015).

### 5.3.2 THE COMMON CORE STANDARDS

The Obama administration, with Arne Duncan as the Secretary of Education, released its national education standards in English Language Arts (ELA) and Mathematics in 2010 called the Common Core. The *National Governors Association* (NGA) and the *Council of Chief State School Officers* (CCSSO) developed the standards. Private support came from Bill and Melinda Gates Foundation and Pearson Publishing Company, among many others. Following studies by Achieve Inc., which showed latency in American education’s ability to follow demands of the workforce, the standards were designed to address this issue. Emphasis lay on critical thinking skills.

Federal limitations prohibit mandatory enforcement of these standards yet 42 of the 50 states adopted them fully and partially in Minnesota (About the Standards 2017). This can be attributed to the incentives of Race to the Top program, which already included some of the core components. Additionally, participants received extra points that boosted their total scores.

### 5.3.3 EVERY STUDENT SUCCEEDS ACT

In 2015, the Obama administration replaced *No Child Left Behind* with *Every Student Succeeds Act* (ESSA). This Act reauthorized the 1965 *Elementary and Secondary Education Act*. For the first time since the 1980s, a law restricted the role of federal government (Gamson, McDermott, Reed 2015). Unlike NCLB, ESSA increased state's responsibility for student achievement instead of setting universal goals. Other differences include: support for students with disabilities is provided on annual testing. Achievement targets are set for each sub-group but there are no financial sanctions. States have increased responsibility to use evidence-based strategies to help struggling students. ESSA called for development of a *National Center on Reading Issues*, school boost of literacy programs and a Universal Design for Learning approach. ESSA also requires parental input to be reported on. There is no federal opt-out from standardized tests; however, ESSA also doesn't restrict states from creating one.

The biggest similarity with NCLB is on accountability measures. Schools are expected to report reading, English language and math test scores and graduation rates. Under ESSA states are additionally required to report on an academic measure of their choice. It can include:

- Kindergarten readiness
- Access to and completion of advanced coursework
- College readiness
- School climate and safety
- Chronic absenteeism (ESSA 2017)

In sum, educational reform under President Obama was driven by the incentives rather than mandates. The *Race to the Top* program provided a great big carrot for states in the biggest economic slump since the Great Depression. President Obama also provided bail-outs to Schools In Need of Improvement. These waivers were issued on a state-by-state basis and carefully negotiated conditions for retaining federal funds. It is without a surprise that many of the terms lined up with *Common Core Standards* and ESSA expectations.

## 5. 4 CONCLUSIONS AND ANALYSIS

Table 7. Federal education policy and socio-political comparison

	ESEA (1965)	NCLB (2002)	ESSA (2015)
Role of Federal Gov.	Introduced	Expanded	Restricted
Redistribution of Title I Funds	Need-based	Performance based	Supported performance based
Learning Standards	None	100% proficiency AYP	Common core
Accountability	None	Mandated top-down	Incentivized bottom-up
Socio-Political Events	Civil Rights Movement	Terrorist attacks of 9/11	Global competition

The Elementary and Secondary Education Act signed under the Democratic President Johnson opened a *window of opportunity* for increased federal government's involvement in states' education in order to address social, economic and racial disparities. I label the introduction of ESEA as a *founding moment* for the sequence of redistributive policies in education.

Since then, the governance of this mechanism has been in question. Accountability measures were the answer. Accountability from a student-perspective focuses on learning outcomes and measuring growth. Accountability from a federal-funding perspective focuses on making sure the money is allocated effectively. The differing approaches in governing by Presidents G.W. Bush and Obama show a difference in how accountability measures are approached. President Bush set a highly unrealistic standard of 100% proficiency with funding directly related to performance. A key moment during this administration was the *window of opportunity* that opened for private-public education partnerships. President Obama continued with accountability measures, however, his interpretation focused on student-support. Instead of pulling funding out of underperforming schools, his alternative is to invest to help them improve. Accountability in the face of globalization is a push to higher achievement on behalf on American students and the link this has with global labor markets.

Standardization of learning is another critical juncture during President Obama's term. Each of the states has internally set learning goals, however, nationally aligned standards have not been implemented prior to the *Common Core*. Studies show that standardization is tied to higher achievement however; in the U.S. this topic is often framed as a threat to states' autonomy. Honoring states' autonomy that reinforces its historical path was President Obama's decision to restrict federal government's role in states' education. Table 8 shows the events and measures that reinforced the existing sequences, which shaped the principles of American education.

Table 8. Events and measures reinforcing sequences of U.S. education principles

Principles	Reinforcing sequences
Decentralized system of ed.	Restricted role of federal government in ESSA
Inequalities/ Achievement Gap	Introduction of ESEA and Title I
	Learning standards
Global competition	Accountability measures

## 6. SCHOOL CHOICE

### 6.1 SCHOOL CHOICE AND EDUCATION OPPORTUNITY ACT

President Donald Trump's administration is working to reverse many of the policies President Obama introduced in his term. After his 100<sup>th</sup> day in office, Donald Trump released a *Contract with the American People* where he vowed to restore "honesty, accountability and change to Washington". With regards to education, the contract introduced plans for the *School Choice and Education Opportunity Act* that:

"Redirects education dollars to give parents the right to send their kid to the public, private, charter, magnet, religious or home school of their choice. Ends common core, brings education supervision to local communities (Trump 2017)".

The *America First* Budget Plan for 2018 expects to cut 13% of the U.S. Department of Education's funding (Office of Management and Budget). Some of the programs impacted by this are teacher trainings, after school programs in public schools and the 21<sup>st</sup> Century Learning Centers. Instead, the plans are to increase spending on school choice programs by \$1.4 billion.

The new United States Secretary of Education, Betsy DeVos, is a long-standing school choice advocate. She played a key role in expanding the for-profit charter school sector in Michigan (Molnar 2017). In an interview with Jonathan Swan of Axios DeVos states: "I expect there will be more public charter schools. I expect there will be more private schools. I expect there will be more virtual schools. I expect there will be more schools of any kind that haven't even been invented yet".

Considering the clear direction in favor of School Choice, let's examine what are the school choice programs and schools in the following sections.

## 6.2 SCHOOL CHOICE PROGRAMS

“School choice allows public education funds to follow students to the schools or services that best fit their needs—whether that’s to a public school, private school, charter school, home school or any other learning environment parents choose for their kids. (EdChoice 2017)”. Essentially it is a way for parents to access the per pupil revenue generated mostly by the local and state taxes to purchase educational services for their children. This section will explain the school choice program options. The following section will look at charter and private school choice.

In total, there are 61 school choice programs across America. They consist of Vouchers, Education Savings Accounts, Tax-Credit Scholarships and Individual Tax Credit and Deduction programs (EdChoice 2017). Formerly known as the Friedman Foundation, EdChoice is a “501(c)(3) nonprofit and nonpartisan organization, dedicated to advancing educational freedom and choice for all as a pathway to successful lives and a stronger society”. The organization names among its priorities the goal to conduct research and publish literature that will help key stakeholders to understand how *choice* can help advance American education. To better understand proponents’ arguments for school choice policies, I will review findings reported by the EdChoice organization including: a brief background of each of the programs’ prevalence and origin, eligibility criteria, participation rates and legal implications.

### VOUCHERS

There are currently 25 voucher programs in 14 States. Ohio’s income-based vouchers are the largest in terms of eligibility, 58% of families with children qualify. Indiana has the most participants, 34,299 enrolled in 2016-17. Voucher programs gained popularity in the *Milwaukee Parental Choice Program* (1990). Vermont (1869) and Maine (1873) previously created similar options.



Vouchers are portions of public funding issued to parents to choose their child's education. They can be used to pay full or partial tuition at public or private schools, including religious ones. This makes voucher programs highly controversial.

The U.S. Supreme Court found vouchers, specifically Ohio's *Cleveland Scholarship Program*, constitutional in the *Zelman v. Simmons-Harris* (2002) case. Chief Justice Rehnquist delivered the majority opinion, 5-4. He made a "distinction between government programs that provide aid directly to religious schools... and programs of true private choice" and spoke on the "neutrality and principle of private choice" (Berends, 2009).

## EDUCATIONAL SAVINGS ACCOUNTS

There are currently five states that participate in the Education Savings Accounts (ESA). Nevada's program is the largest in terms of eligibility, 96% of students. Florida has the largest program in terms of participation, 7,463 students enrolled in 2016. The first ESA was started in Arizona in 2011. In 2014 the Nevada Supreme Court unanimously declared this program constitutional.

Education savings accounts are debit cards issued to parents who withdrew their children from public district or charter schools. They receive deposits of public funds allocated for their child to cover "private school tuition and fees, online learning programs, private tutoring, educational therapies, community college costs, and other higher education expenses (EDChoice 2017)."

Each state has different eligibility criteria and fiscal formula. When Arizona's original ESA was signed into law, only students with special needs were eligible for the *Arizona Empowerment Scholarship Program*. Since, it has been expanded five times to include students from failing schools, military families, adoptive care and others. Arizona provides 90% of the state funding on a sliding scale, according to the state's formula. Other states, like Mississippi and Tennessee have a fixed amount of \$6,628 and \$6,500

respectively. Florida's formula varies the most with consideration for student's age, residence and disability status.

Transparency of fiscal accountability also differs between states. Audits of spending occur regularly under each system. The most popular for its efficiency is Nevada's Benefit Wallet. It is similar to a Health Savings Account. Providers of goods or services file a claim and are paid directly from the parent's Benefit Wallet. This makes it a lot more convenient for families.

### TAX-CREDIT SCHOLARSHIPS

There are currently 21 tax-credit scholarship programs in 17 states. Montana has the largest program in terms of eligibility, 100% of students qualify. Florida has the highest participation, 97,826 enrolled in 2016. The first tax-credit program was created in Arizona in 1997 after their voucher program was ruled unconstitutional (Berends 2009).

This program works as a donation taxpayer makes to a designated non-profit organization. The non-profit redistributes the money among the students by matching them with an appropriate school. The taxpayer, in turn, receives a reimbursement or a credit when they file their income taxes.

Tax credits for schools were permitted when the case reached the U.S. Supreme Court in 2011. Taxpayers in Arizona challenged the state law that provided public money to students attending religious schools. They claimed this violated the *Establishment Clause*. In *Arizona Christian School Tuition Organization v. Winn* the court ruled 5-4 that "the plaintiffs did not have standing to challenge the program" (Berends 2009).

### INDIVIDUAL TAX DEDUCTIONS

There currently are four Individual Tax Deduction programs in four states: Indiana, Louisiana, Minnesota and Wisconsin. Minnesota has the largest program in terms of eligibility, 100% of families with children, as well as the highest participation, 209,963

tax returns in 2014. Wisconsin has the most generous tax deduction of \$10,000 for high school students and \$4,000 for grades K-8. Individual tax deductions originated in Minnesota in 1955.

Individual tax deductions allow parents to claim approved expenses on their state income tax. They can include private school tuition, books, supplies, computers, tutors and transportation.

The U.S. Supreme Court declared individual tax deductions constitutional in the case of *Mueller v. Allen* (1983). The plaintiffs claimed that these tax deductions indirectly subsidize religious education. The court ruled 5-4 that the program was religiously neutral since it benefits both secular and non-secular institutions (Berends 2009).

#### INDIVIDUAL TAX CREDITS

*Individual tax credits* operate in five states. Illinois and Iowa have the largest eligibility for tax credits, 100% of families. Participation is the largest in Illinois, 285,972 tax returns in 2014. South Carolina provides the most generous credits of \$10,000 per student or the cost of attending high school. Tax credits started in Iowa in 1987 (EdChoice 2017).

Like the *individual tax deductions*, tax credits allow parents to receive income tax relief for approved expenses. The difference between tax credits and tax deductions is that credits lower the total taxes a person owes to the state while deductions reduce the total taxable income.

Teachers unions' challenged the program's violation of the *Establishment Clause* and the Illinois Constitution's religion provisions. *Griffith v. Bower* was filed in July 1999 by followed by *Toney v. Bower* in November 1999. The Illinois Supreme Court declared both cases constitutional (Berends, 2009).

## 6.3 SCHOOLS OF CHOICE

All of the funding options presented in the previous section give families the freedom to choose. However, the options of schools available to choose from are even more important in determining the validity of this reform. A common trend developing in most of the programs described above is the use of state money to pay for private parochial schools. In this section, I will address private school choice, including religious education and disparities in funding of charter schools.

### 6.3.1 PRIVATE SCHOOLS

Private schools are often the preferred option of choice, however, their tuition costs are above what the voucher-type programs can offer. This puts parents who can nearly afford the tuition in a difficult situation. Often times they sacrifice spending in other sectors or take on loans to cover the difference. Low-income families are often looking to this option to create upward mobility opportunities for their children. As a result of overstretching their budgets, negative effects spread into other aspects of society.

#### 6.3.1.1 PAROCHIAL SCHOOLS

As captured in the ‘choice programs’ section above, there is a large dispute over using public money to fund religious education in violation of the Establishment Clause. This was the case in *Arizona Christian School Tuition Organization v. Winn* (2011), *Griffith v. Bower* (1999), *Toney v. Bower* (1999) and *Zelman v. Simmons-Harris* (2002). This last case took place in Cleveland, Ohio in the 1996-97 school year. The city took up a voucher system to help its failing schools. 90% of 9<sup>th</sup> graders were not proficient in math and Language Arts and about 2/3 of the class dropped out (Saiger 2013). The state created the Pilot Project Scholarship Program for eligible, at or under the poverty-line students. 60% of students qualified. The voucher allowed students to attend a public, private-religious or private-non-religious schools. From 1999-2000, 96% of students attended private religious schools (Saiger 2013).

This case impacts all voucher programs and schools in the U.S.A. and shows the potential dangers of separation between church and state in education.

### 6.3.2 CHARTER SCHOOLS

Charters are public schools funding by the public dollars. As previously mentioned, most of the school funding comes from the local and state level. The US national per pupil expenditure average in the 2014-15 school year was \$11,009. This ranged from the highest spending state, New York, to lowest Nevada: \$20, 610 and \$8, 414 respectively (Public Education Finances: 2014 U.S. Census Bureau). Districts within states themselves experience even more disparities. The New York Association of School Business Officials released a report in December 2016, *The Education Dollar: Where Does the Money Go?* They found a \$5,200 disparity in the funding of rich and poor districts. A wealthy district spent \$23,000 per pupil while poorer districts spent \$17,200 (cite).

Charter school funding poses further dilemmas. The Center for Education Reform published a *Survey of America's Charter Schools 2014*. Results were synthesized from the 743 participating charter schools across the nation. The Finance and operations report shows that charters on average receive 64% of the funds allocated to traditional public schools, about \$7,131 per pupil. Charter schools serve significantly higher proportions of low-income students from disadvantaged backgrounds and are then eligible for Title I funding (Rebarber, Zgainer 2014). However, the allocation formula for this federal support is deeply ineffective.

The educational policy analyst, Wayne Riddle, reported on the *Issues in the Allocation of ESEA Title I Funds to Charter Schools* published by the National Alliance for Public Charter Schools in April 2015. He explains that the federal funding is calculated based on census data of children living in poverty and transferred to the State Education Agency (SEA), which then distributes it to the district. Because charter schools often form in high-need areas, they do not match district lines and form their own. The Local Education Agencies (LEAs) are their independent charter school districts. Figuring out

Title I allocations is a very inconsistent process in the case of LEAs. Sometimes SEA determines the sending district's per child formula and allocates that. This can be very problematic, especially when the child living in a rural area receives a much smaller allocation and attends an urban school, which requires higher funding. In a Texas district, this translates into a range between \$500 and \$3,000 (Riddle 2015). If the SEA cannot determine the sending district, they use a "probability proposal" that averages spending of the entire state and allocate that instead. Both methods are very inaccurate and leave students in need without appropriate resources.

## 7. THEORIES OF SCHOOL CHOICE

### 7.1 MARKET MODEL

Milton Friedman was one of the most influential thinkers of the 20<sup>th</sup> century: economic advisor to President Reagan and British Prime Minister Margaret Thatcher, recipient of a Nobel Memorial Prize in Economic Sciences (1976) and a longtime proponent of decentralized education. Friedman believed in the power of the free-market as the ultimate regulator in all domains. He advocated schools should be sold like groceries using his idea of a voucher system (1975). "Friedman's ultimate vision of education in America was to supplant the existing school system with a marketplace of schools that were publically financed and privately run (Wolf, p20)". In 1980, he elaborated on this argument in his personal statement *Free to Choose* while additionally emphasizing the significance of individual freedoms. Parents ought to have the freedom to shop around for the most suitable education for their children. Giving parents the decision-making powers would eliminate the need for excessive administration and educational management. The free-market competition, in turn, would weed out weak competitors and reward the best performing schools. Friedman's model is based on efficiency. "Our goal is to have a system in which every family in the U.S. will be able to choose for itself the school to which its children go. We are far from that ultimate result. If we had that – a system of free choice – we would also have a system of competition, innovation, which would change the character of education (Friedman)".

Further support for Friedman's ideas came from John Chubb and Terry Moe in *Politics, Markets, and American Schools* (1990). The authors published an influential study on the effective and ineffective organizational structures of American education. Their empirical analysis of 500 schools, 20,000 principals, teachers and students over a ten-year period yielded the following findings:

- Governmental organizations provide a major structural obstacle to effective education because they are intertwined in the political process of maintaining administrative compliances rather than serving the student. Private schools, in turn, allow greater parent involvement and independence from the "bureaucratic red tape".
- School principals are crucial to effectiveness of schools. Ineffective schools principals' are constrained by tenure laws and their passive leadership style allows for little innovation. On the other hand, effective schools principals have a greater level of autonomy and seek "advancement in the administrative hierarchy".
- Little correlation was found between teacher salaries and high quality education outputs, teacher-student ratios and per-pupil spending.

As a result of this study, Chubb and Moe advocated for decentralization of the American education system in favor of a competitive market. The market-place of education with a consumer-driven system was proposed to function on "scholarships" in the amount of funding state and local authorities allocate to traditional public schools. These findings and recommendations became widely cited by proponents of the school choice movement.

Both Friedman and Chubb and Moe's work rested on the idea of efficiency, what is now called the market model. David Harvey synthesizes this logic in that "neoliberal state should favor strong individual property rights, the rule of law, and the institutions of freely functioning markets and free trade." He explains that market model theories insist that "privatization and deregulation combined with competition [will] eliminate bureaucratic red tape, increase efficiency and productivity, improve quality and reduce costs, both directly to the consumer through cheaper commodities and services, and indirectly through reduction of the tax burden" (2005).

## 7.2 OPPORTUNITY MODEL

Since then another model, complimentary to the one described above, emerged: the *opportunity model*. The second generation of school choice theorists focused on social justice. They “see choice as a mechanism for improving educational opportunities for underserved communities, primarily low-income racial minorities whose children attend failing schools (Wolf)”. John Coons and Stephen Sugarman focused on issues of equity in *Private Wealth and Public Education* (1970) and freedom in *Education by Choice: The Case for Family Control* (1978). One of the major concerns with the market model regarded the redistributive nature of vouchers and other choice options. Coons and Sugarman were skeptical of sliding scale programs and families they may leave with partial but not total funding.

In a 2004 symposium, Sugarman spoke about creating more options for low-income families (*Rekindling the Spirit of Brown v. Board of Education*). He described five public school plans that are working to create more opportunities for low-income families. First, districts like Berkley and San Francisco that no longer assign students to schools based on their residence address. Second, “inter-district transfers” such as in Iowa and Minnesota. Third are specialized schools like “magnets”. Fourth are charter schools. Lastly he cited the provision of No Child Left Behind that mandates the government to provide an alternative choice if the student’s school is failing to meet standards. Sugarman also acknowledged the many questions all of these options bring to policymakers: “Can more choice mean better schooling opportunities for more children of working-class and low-income parents? Can the competitive pressure of increased choice prompt traditional neighborhood schools to become more responsive to local families and improve the education of their children? Can more choice help to promote racial integration?”



## COUNTER REMARKS

Market based-theory regards the market as an unbiased entity that will regulate fairly. This argument goes back to Adam Smith's invisible hand idea. It is commonly used among neoliberals to legitimize institutions. This argument is especially potent because of its political-neutrality. Iam Menter calls this "depoliticizing" (1996). Markets are presented as immune to politics and bureaucracy. Neutrality of the market earns it bipartisan support and virtuous merit and vilifies those who oppose it. Yet neutrality of the markets is a marketing strategy in of itself.

Stephen J. Ball and his colleagues examined education markets in UK and the USA. He looked at the *Education Act* in England that took place in 1993 and opened education to marketization, similarly as NCLB did in the United States. As a result, "commercial issues become more important in curriculum design and resource allocation" (2006). The need for favorable performance outputs created situations where schools were "looking for ways to attract 'motivated' parents with 'able' children" (Ball 2006). In this way the focus changed from "student needs to student performance and from what the school does for the student to what the student does for the school" (Apple, 2010).

Mark Olsen flushes out some key differences in ideology between classical liberalism and neoliberalism in his work from 1996, *In Defense of the Welfare State and Publicly Provided Education*. The classical liberalism sees an individual as an autonomous 'homo economicus': behaving to maximize self-interest and freedom from the negative conceptions of the state. Free will of the human nature allows her to exercise independence but act on the basis of universal egoism. The neoliberal individual is an enterprising 'manipulatable man': The state is seen positively as it governs with a set of agreed upon regulations based around the theory of invisible hand. Olsen describes this perception as "governing without governing". Interests of the individual are also in the interest of the society and reliance on the welfare state is perceived as laziness.

In the shift of ideology from classical liberalism to neoliberalism "We are witnessing a process in which the state shifts the blame for the very evident inequalities in access and

outcome it has promised to reduce, from itself on to individual schools, parents, and children” (Ball 1993 or Apple 2001).

### 7.3 CONCLUSIONS AND ANALYSIS

To conclude, I would like to bring to attention the principles identified throughout this thesis and show how they are still echoed in the U.S. Department of Education’s mission statement. Then I would like to see how school choice options reinforce or challenge these ideals. ED states its mission “is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access” (2017).

Starting from the last point, *equal access* has historically been an obstacle from the very formation of the nation-state. During and after the Civil War, inequalities have been institutionalized and ingrained in the fabric of American schools. The creation of Title I funding under ESEA was a means of re-distributing wealth to invest in the educationally disadvantaged students and close the achievement-gap.

The second goal is *educational excellence* that translates to accountability. After the implementation of ESEA, which lacked any outcome-based measurements, efforts were made to focus on quality. Throughout the 1990s, soft suggestions to implement uniform educational standards were made by President Clinton but faced resistance from the states. It was not until the beginning of the 21<sup>st</sup> century that President G.W. Bush laid an aggressive accountability system for states, districts, schools and most notably, students. President Obama relaxed the state sanctions on failing schools and created more infrastructures to aid underperforming schools to proficiency. He also coaxed states to align their standards through the Race to the Top grant program. Currently accountability measures are among the most widely debated topics in educational policy in America. President Trump made noticeable efforts to undermine the Common Core Standards.

Perhaps the most reveling point in the mission statement of ED is centered around *global competitiveness*. Aligning education goals to those of the labor market has been addressed in the correspondence theory of education (Bowles and Gintis). Corporate interests are increasingly involved in education their future workers. Many private business interests took part in designing the Common Core Standards. In addition to the increased presence of market forces in the creation and dissemination of education, knowledge itself is now treated like a product to be sold.

### 7.3.1 COMPARISON WITH TRADITIONAL PRINCIPLES

This section will compare how school choice options relate to the sequences identified in traditional public schools. The principal sequences are tested against findings previously described in this thesis or cited below. Do choice policies reinforce or challenge the principles of the traditional education pathways?

#### Decentralized system

School choice policies are based on the platform of local autonomy. This reinforces the decentralized system and is often used as an argument supporting this platform. However, I would like to bring to attention a practical challenge with this claim. Charter schools with Local Education Agencies struggle to obtain funding proportionate to their student needs, as described in previous section. Deregulating district lines will exacerbate this dilemma further.

#### Secular education

School choice options provide funding to all private schools, including parochial ones. As discussed in the previous section, this challenges the Establishment Clause, which does not allow federal funding to religious schools. The legal battles over this matter continue. However, President Trump himself stated his support for funding religious schools in the *Contract with the American People*. School Choice and Education Opportunity Act “Redirects education dollars to give parents the right to send their kid

to the public, private, charter, magnet, religious or home school of their choice” (Trump 2017).

#### Universal access

Parents are given full autonomy to decide the best schooling options for their children. While some, mostly middle-class, parents are fully capable to navigate this system, I question whether this limits access to students from families without the familiarity with the system to make best decisions. Other arguments are also presented around imperfect knowledge and which groups have access to that knowledge.

#### Decreasing the achievement gap

There are no clear empirical answers in this case yet. Results of studies in the U.S.A. are mixed. However, a study of the Chilean system that was fully converted on the voucher-basis provides useful data.

Ana M. Gazmuis studied the Chilean voucher program, which was originally implemented nation-wide in the 1980s. She also looked at the more targeted vouchers introduced in 2008. Her empirical study focused on 230,000 students in public and private subsidized schools. Her findings showed high-levels of stratification between affluent families in private schools and lower-income students in public ones. She also reported a phenomenon of “cream-skimming” which refers to the private school’s “preferential selection of students based on their socioeconomic characteristics” (2015). With regards to the more targeted voucher program hypothesized to alleviate this problem, Gazmuis reports that “While this paper shows that a tiered voucher, in fact, decreases in fact schools cream-skimming, it shows that this may have little effect on overall stratification if parents have strong preferences for better peers” (2015).

#### Global competition

School choice is quintessentially grounded in competition. In some cases, very gifted students prefer magnet or online schools that specialize in their field or provide time

flexibility. However, these cases are isolated. Theoretically school choice proponents claim these options support global competition.

## 8. ANALYSES AND CONCLUSION

### EXPLANATIONS OF INSTITUTIONAL REPRODUCTION

Public education supported by the federal government persisted in America. Using James Mahoney's typology of mechanisms of reproduction, I will reflect on the historical context described previously and assess the strength of public schools' reproduction in the four categories below.

	<i>Utilitarian explanation</i>	<i>Functional explanation</i>	<i>Power explanation</i>	<i>Legitimation explanation</i>
Mechanisms of reproduction	Institution is reproduced through the rational cost-benefit assessment of actors	Institution is reproduced because it serves a function for an overall system	Institution is reproduced because it is supported by an elite group of actors	Institution is reproduced because actors believe it is morally just or appropriate
Potential characteristics of institution	Institution may be less efficient than previously available alternatives	Institution may be less functional than previously available alternatives	Institution may empower an elite group that was previously subordinate	Institution may be less consistent with values of actors than previously available alternatives
Mechanisms of change	Increased competitive pressures; learning processes	Exogenous shock that transforms system needs	Weakening of elites and strengthening of subordinate groups	Changes in the value or subjective beliefs of actors

Source: Mahoney (2000)

### Utilitarian explanation

Mechanisms of reproduction: From a utilitarian viewpoint, the learning effects of public schools have been in place for a long while. We have all grown accustomed to doing things a certain way and pay property taxes to continue supporting the current infrastructures. Douglas North also points out the adaptive expectations and cost reversing investment. The organizational and infrastructure costs make changing the path of this institution fairly irreversible, although as we will discuss further, there have been several windows of opportunity opened to welcome these initiatives such as the No Child Left Behind provision to encourage school charters. Overall, the utilitarian argument for public education is a strong one. Mahoney states that “path-dependent institutions supported by utilitarian mechanisms will be especially enduring outside of the marketplace”(2000).

Potential characteristics of institution: Public system of education is blamed for failing its promise to close the achievement gap. Some perceive it as an economic waste. In a utilitarian viewpoint, rational choice is the preferred logic. Hechter, Opp, and Wippler suggest, rational choice thinking "predicts that institutions will emerge only when it is in the private interests of individuals to establish them" (Mahoney 2000). Mahoney states that utilitarian mechanisms are enduring outside of the marketplace. In this case, the marketplace is the alternative.

Mechanisms of change: The biggest challenge to public education is the market-theory viewpoint behind school choice. The promise of efficiency and efficacy intertwined with rhetoric of freedom for parents to choose gives a compelling argument. The competitive pressure is an effective strategy to bring about change. The learning process of navigating in the school choice environment may be a hindrance. Multiple organizations, like EdChoice -the former Milton Friedman Foundation are designated to bridge the learning-gap of navigating this new system.

### Functional explanation

Mechanisms of reproduction: The functions of education are a rich topic of study in sociology, philosophy, political science and policy. In simple terms and as demonstrated historically, the value of education is of paramount importance. Public schools are interwoven into the fabric of America's society. The function of education to support economic growth is among the most convincing arguments. The market argument, however, opens up new sources of schooling that pose a threat to the traditional public school.

Potential characteristics of institution: A threat to the function of public education is the changing world around it. While the function of education remains constant, numerous variables in the world around it change rapidly. If the institution is not flexible enough to handle the external shock, this may lead to change. The shock may be actual or manufactured.

Mechanisms of change: School choice provides numerous privately operated options to select from. In a world where our roles and functions are aligning with consumerism, this style of schooling presents a viable alternative. Globalization brings further attention to competition which adds legitimacy to the school choice movement.

### Power explanation

Mechanisms of reproduction: The power explanation for public education can be seen historically in executive branch of the government. Starting with the Elementary and Secondary Education Act. The Democratic President Johnson used his power and support of congress to pass a program that formally changed the role of education and aligned it with Mann's idea of "education as the great-equalizer. During President G.W. Bush's term, the aggressive implementation of No Child Left Behind introduced accountability measures. Where President Obama lacked the power to enforce policy,

he incentivized with federal funding. This power proved to be highly effective as most of the United States comply with the Common Core Standards today.

Potential characteristics of institution: Education is generally described as non-partisan issue, and in fact, both democrats and republicans have votes together on most of the bills described here. However, in the cases of school choice, there is a key difference. Democrats support alternative schooling, such as charters but are not supportive of vouchers. Republicans see vouchers as necessary.

Mechanisms of change: President Trump's election shifted to power in favor of school choice. His confirmation of Betsy DeVos as the Secretary of Education further proved this point. With the power shifted in the free-market direction, there is a good likelihood we will see an expanse of schools as businesses.

#### Legitimation explanation

Mechanisms of reproduction: The legitimation explanation holds a strong case for public schools. Education is a basic human right, as codified in all of the state constitutions. As a society Americans historically invested in the institution of education. This in turn gained trust and legitimacy for publically provided learning.

Potential characteristics of institution: As the world changes, so do the values. Public schools may simply become "outdated".

Mechanisms of change: Framing of issues here is very important. Being susceptible to advertising and popular culture, the way politicians and public figures endorse choice or public school policies can greatly impact the outcome. Perhaps the younger generations as they grow up will be more comfortable shopping for their education and the idea of a public school assigned by district will not be relevant.



## CONCLUSION

The goal of this thesis was to examine the conflict in American education between traditional public schools and school choice competitors. I used a narrative historical institutional analysis through a *theory of path dependence* to identify underlying principles that shaped American schools. They are: a decentralized system, secular education, universal access, decreasing the achievement gap and global competition.

The principles listed formed sequences that are at the root of education debates today. School choice proponents, for example, cite the decentralized nature of American education and ways in which the public system inches towards destroying this sequence. After “testing” the compatibility of school choice policies with the founding principles, I found mixed results. The decentralized system sequence was reinforced to the strongest extent. Global competition is marketed as very strong but there is not enough reliable empirical evidence to back up this claim. Decreasing the achievement gap and universal access are both debatable and the secular education sequence is fully challenged.

In the final analysis based on Mahoney’s typology, the *utilitarian argument* against reproduction of the public education path is the strongest. The market-theory school choice is based on, makes big claims in regards to efficiency and effectiveness. However, there are not enough reliable empirical studies to back up these claims at this time. The *power explanation* against the reproduction of the public education path opens a *window of opportunity* for choice proponents. President Trump, Betsy DeVos and the many vested corporate interests are determined to reform American education guided by free-market competition. Trends in globalization also support a changing in the *function of education* and the mode of delivering it. The *legitimacy explanation* is so far the weakest to justify a change in the reproduction of public education however the powerful actors and coalitions combined with media presence can easily sway public opinion in the other direction.

In conclusion, there is high likelihood the reproduction of public education pathway will be, at least temporarily, deterred. However, this commonly is the case with *reactive*

*sequences*. The 370 years of selectively mentioned policies and events show a deeply rooted commitment to public, non-market-driven education. While the likelihood of a change in policy is high, *path dependence theory* illustrates that events set in motion earlier in the sequence, hold much stronger value than the recent ones (Mahoney 2000).

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