

Pell Grants for Kids

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Paul Peterson

Program on Education Policy and Governance, Harvard University, Cambridge, MA

Director

Testimony

America's public schools today are in need of three key reforms: transparency, accountability and choice.

Transparency and accountability are rapidly being put into place by No Child Left Behind, the most important piece of federal education legislation in over thirty years. Schools are becoming more transparent in that every school must report its students average math and reading scores. Accountability is on the rise, because those schools that consistently fail to perform must give parents the opportunity to obtain extra services or attend a public school elsewhere. If a school does not improve, it must be reconstituted.

Research shows that these reforms are beginning to work. Those states that were the first to introduce accountability are making more the rapid gains on the nation's report card, the National Assessment of Educational Progress (NAEP). Those places with the strongest accountability systems are particularly effective. The evidence from Chicago and Florida is particularly compelling.

Now the third leg of reform needs to be put into place—genuine school choice for families comparable to the college choice that students in the United States have long enjoyed.

The United States system of higher education is the envy of the world, drawing students from across the globe to one of its thousands of excellent teaching and research institutions. In most countries, government money flows to the universities, not to the students. But in the United States, much of the federal and state money either flows directly to students—either directly through grants or loans or by conditioning aid upon college enrollments. Because students have a broad range of college choice, the country enjoys a dynamic, constantly improving system.

Sure, one can find problems in higher education. But the problems in elementary and secondary education are more deeply rooted. The United States once led the world in high school graduation rates. Today, we do no better than the average industrialized country. Nor do the high-schoolers who remain achieve excellence. On the contrary, they trail the world's leaders in math and science by as much as four grade levels. Neither has there been much improvement over the past thirty-five years. Although some gains have taken place recently, as late as 2000 U. S. students were doing no better on the NAEP they did in 1970.

Senator Alexander is thus to be congratulated for proposing Pell Grants for Kids. Under his innovative program, monies would be given directly to low and moderate income families to be directed to the school their child attends, to be spent on school tuition, or to be used for extra school services.

By giving the money to families, the program is designed along the same lines as many federal programs in higher education. Beginning after World War II, and continuing down to the present, the federal government, by means of such student-choice programs as the G. I. Bill, Pell Grants, and student loans, created a dynamic higher education system, and, at the same time, provided greater college access to students with limited resources.

Unfortunately, federal efforts to improve the lower tiers of American education were not designed in the same way. Instead of giving choice to low-income parents, Title I of the Elementary and Secondary Education Act directed funding toward school districts. The results have been very disappointing. As a member of the Independent Review Panel for Title I, I have recently had the opportunity to listen to a review of the major studies of the compensatory education program. The main conclusion presented to our panel: There is no evidence that the program has had any positive effect on student learning.

Using Title I dollars to fund Pell Grant for Kids would put these valuable dollars to a more constructive purpose. Research shows that where parents have a choice, their children, especially the disadvantaged ones, learn more. For example, students in Chicago who are exercising choice under NCLB are scoring higher on the tests of achievement in that city. Nationwide, African American students who attend private schools do better than equivalent students in public schools. And a variety of studies show that African American students who receive vouchers do better than their peers who remain in public schools.

Research has also shown that students in traditional public schools do better, if that school faces competition. When students have the option of attending a charter school or receiving a voucher, or even if there is the possibility of a voucher opportunity, traditional public schools respond positively to the competition. In short, Pell Grants for Kids can build on the successes of existing school choice programs.

For Pell Grants to stimulate the choice and competition that American education needs, states and school districts need to offer parents meaningful school choices. That choice should involve a choice of public schools within the district, a choice of schooling among school districts, a choice among numerous charter schools, and, ideally, a choice of private schools. By conditioning Pell Grants for Kids on providing the same kind of meaningful choice in elementary and secondary education as exists in higher education, this program will give states and school districts strong incentives to reform the nation's schools.

Senator Alexander proposes that the size of Pell Grants be initially set at \$500, about 5 percent of the average cost of schooling in the United States today (which is now roughly

\$10,000 a year). Even this modest amount could have a large initial impact.

An even larger impact could be obtained, if the federal government were to fund the program at about 10 percent of the total cost of schooling, about the same level as the federal government funds elementary and secondary schooling more generally. And a still larger impact could be obtained, if the program asked participating states to match the federal dollars.

Whatever the initial amount, these new Pell Grants should increase at the same rate the cost of schooling increases. The income limit should rise annually at the same rate as average household income rises. And the amount that parents receive should phase out gradually so as not to discourage families from remaining economically productive.

American education today is beginning to have the transparency and accountability that it desperately needs. Properly designed, Pell Grants for Kids can provide meaningful school choice, the school reform stool can acquire its badly needed third leg.