

First Presentation

THE ECONOMICS OF FEDERAL EDUCATION POLICY REFORM

Gregory F. Rehmke
EconomicThinking.org

ANNOUNCING THE MACKINAC CENTER
HIGH SCHOOL DEBATE
WEB RESOURCE CENTER

MACKINAC.ORG/DEBATE

FACULTY

Greg Rehmke is program director of Economic Thinking and a member of the Mackinac Center Board of Scholars. He has more than 30 years of experience in leading high school debate programs and workshops.



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We believe that free, vigorous and civil debate is critical to progress as a society.

The Economics of Increasing Federal Education Funding and/or Regulation

Policy Debate – 2017-2018 Topic

Resolved: The United States federal government should substantially increase its funding and/or regulation of elementary and/or secondary education in the United States.

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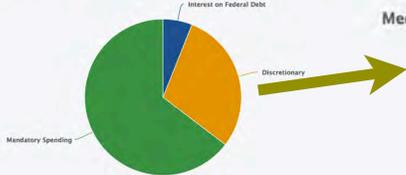
►► United States students do not rank well compared to their peers from other countries. Achievement gaps also exist between children from different ethnic groups and between affluent and low-income students. Are the schools at fault, or are other issues to blame? What changes in funding, regulations, standards, or support for our schools will bring better results? Do we need more teachers, higher teacher pay, uniform teacher standards, and/or smaller class sizes? Will more money for technology improve teaching? Do we need more flexibility to employ and develop different types of schools? Do we need more flexibility within our public schools? What will bring up graduation rates and help United States students compete internationally? How can we prepare and train the future United States workforce? This resolution

will provide a balanced field to discuss these important education issues. The affirmative teams will have the ability to critically examine everything from charter schools to online programs to for-profit schools. There is flexibility to argue for or against K-12 in traditional schools versus more specialized schools. Each area of the country has substantially different standards and rules. This topic allows students to examine those differences and how the federal government can improve education across the board. Negative ground includes arguments from traditional policy options such as federalism, States CP, other agent counterplans, solvency deficits as to whether the affirmative is affecting a large enough scope to solve, spending DAs, politics scenarios, etc. Critical literature is also applicable to the wide variety of presumptions within our government and education systems.

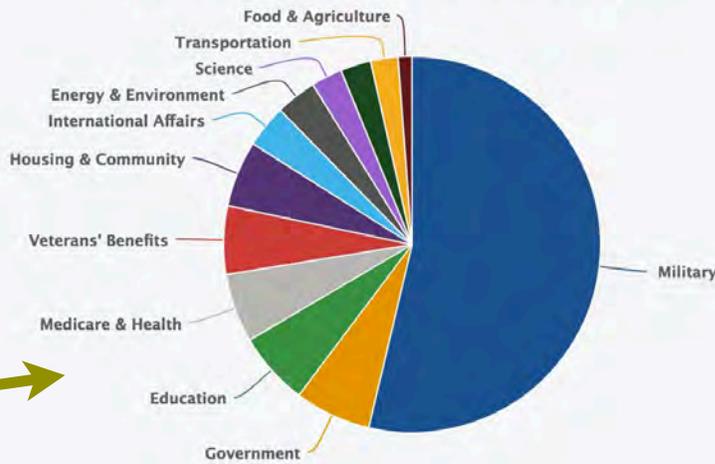
<https://www.speechanddebate.org/wp-content/uploads/2017-2018-Policy-Debate-Topic-Synopsis.pdf>

The U.S. Treasury divides all federal spending into three groups: mandatory spending, discretionary spending and interest on debt.

FY2015 Mandatory and Discretionary Spending and Interest on Federal Debt (in 2015 Dollars)

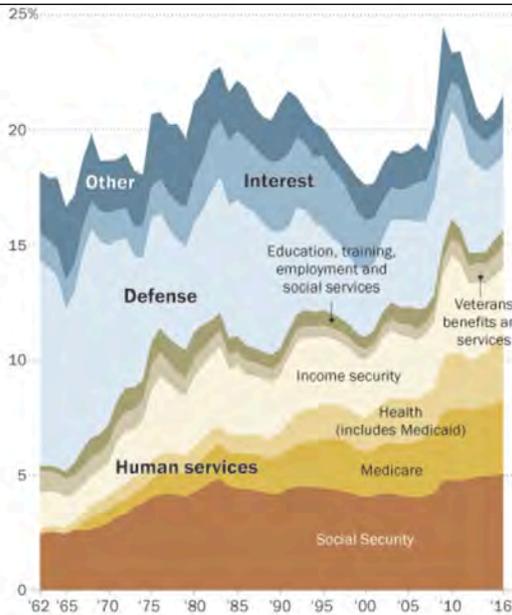


Discretionary Spending 2015: \$1.11 Trillion



<https://www.nationalpriorities.org/budget-basics/federal-budget-101/spending/>

ject



Social Security, Medicare and other human services are a growing share of government spending

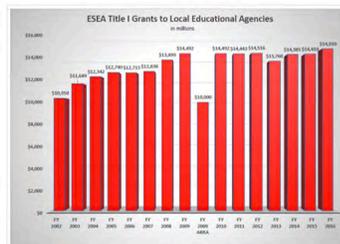
Federal government spending as a share of GDP, by function

<http://www.pewresearch.org/fact-tank/2017/04/04/what-does-the-federal-government-spend-your-tax-dollars-on-social-insurance-programs-mostly/>

Federal Education Policy: An Overview

- How much does the Federal government spend on **K-12** education each year?
- Since 2002, federal funding for education has increased by 36%,
- from **\$50 billion** to **\$68 billion**
- It peaked in 2009 at \$97 [b]illion...
- Title I. Funding increase[d] since 2002... from \$10.4 billion to **\$14.9 billion**...
- Special education [at] **\$11.9 billion** – an increase of nearly 60% since 2002.

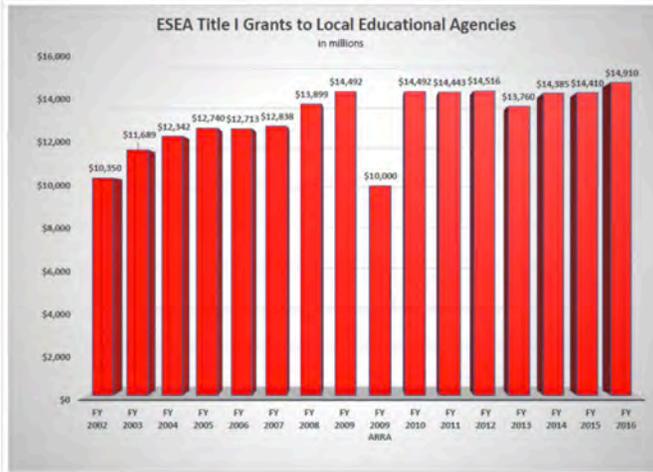
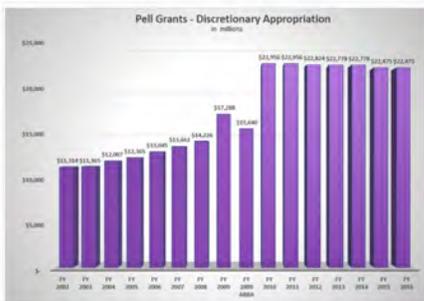
News article snippet: "Federal Education Funding: Where Does the Money Go? Here's a look at what your tax dollars have gone toward in the education sphere. By Lauren Camera, Education Reporter. Jan. 14, 2016, at 2:40 p.m."



COMMITTEE FOR EDUCATION FUNDING

Federal Education Policy: An Overview

- 👤 Pell Grants: \$22 Billion (2016)
- 👤 ESEA Title I Grants: \$14.9 billion
- 👤 Special Education: \$11.9 billion



The Pell grant program was merged from acquisition in FY 2013. In addition to these discretionary levels, Pell grants have had varying levels of mandatory funding since FY 2006.

COMMITTEE FOR EDUCATION FUNDING

Major Federal Program	Change	Change over 2015-16 school year
Title I	+3.4%	\$500M increase. Now funded at \$14.9 billion
Title II	Level	Funded at \$2.3 billion
Title III	Level	Funded at \$737 million
Striving Readers	+18.7%	Increase of \$30M. Now \$190M
School Improvement Grant	-11%	Cut \$55M. Now \$450 million
Special Education (IDEA)	+3.6%	\$415M increase. Now funded at \$11.9 billion
Investing in Innovation	Level	Funded at \$120 million
Charter Schools Grant	+31.6%	\$80M increase. Now funded at \$333 million
Head Start	+6%	\$570M increase. Now funded at \$9.1 billion
Career and Tech - Perkins	Level	Funded at \$1.1 billion
21st Century CLC	+1.3%	Increase of \$15M. Now \$1.1 billion
Preschool Development Grant	Level	Funded at \$250 million

Pearson

FY 2016 Federal Education Budget Increases by 2%

<http://www.pearsoned.com/education-blog/2016-federal-education-budget-increases/>

- Title I: \$14.9 billion
- Special Education (IDEA): \$11.9 billion
- Head Start: \$9.1 bil.
- Title II: \$2.3 billion

Notes on Economics and Federal Education Funding and Regulation

- Economics can provide a set of tools to better understand public policy. Sometimes called the *Economic Way of Thinking*.
- All economies have *incentive problems* and *information problems*.
- For education policy reform: what are incentives for students, teachers, parents and administrators?
- For education policy reform: who has the information on best reform programs?

Policy Debate – 2017-2018 Topic

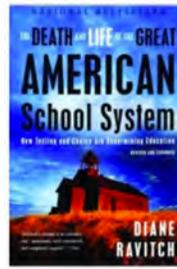
Resolved: The United States federal government should substantially increase its funding and/or regulation of elementary and/or secondary education in the United States.

- 👤 We don't know a lot about best education reforms...
- 👤 Managing a school or a classroom is a challenge.
- 👤 Successful teachers are likely to know the most.
- 👤 What reforms would best locate & learn from successful schools & classrooms?

Federal K-12 Education Reforms

- Debates over expanding school choice and state funding for new charter schools is in the news.
- But looking back to 2000, major debates on U.S. education...
- “Broken Promises: What the Federal Government Can Do To Improve American Education.” (Brookings Institution, March 1, 2000)
- Expanded education bureaucracy at local, state, and federal levels.

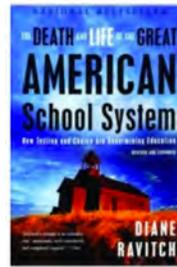
Federal programs typically travel first to the 50 state departments of education, which send them to local school districts, then to administrators at school sites, and finally, perhaps, to classroom teachers. At each stop, money is drained off to support a bureaucracy.



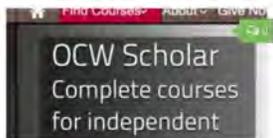
<http://economicthinking.org/2017/08/23/what-the-federal-government-can-do-to-improve-u-s-education/>

Federal K-12 Reforms, continued

- *The public’s desire to improve public schools...does not justify expanding the federal government’s role in education.*
- *...most evaluations of the major federal categorical programs suggest that they are failing to make a dent in the problems they were designed to solve. ...*
- *Congress has been...unwilling to overhaul or discontinue any education program, regardless of its lack of effectiveness.*
- *Every federal program can mobilize a devoted constituency on its behalf, and even the smallest programs have kept their federal funds flowing.*



<http://economicthinking.org/2017/08/23/what-the-federal-government-can-do-to-improve-u-s-education/>



EDUCATION POLICY | 1119 (6, 8/17)
Where Do Federal Education Dollars Go?

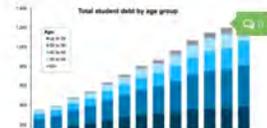


EDUCATION POLICY | AUGUST 23, 2017
What the Federal Government Can Do To Improve U.S. Education



EDUCATION POLICY | AUGUST 24, 2011
Informal K-12 and Higher Education: U.S. and Developing World

EDUCATION POLICY | AUGUST 23, 2017
Special Education: “90% have no cognitive impairment”?



EDUCATION POLICY | JULY 27, 2017
Federal Higher Ed. Debt: Almost \$1.5 Trillion



EDUCATION POLICY | U.S./CHINA
ENGAGEMENT & POLICY REFORM
MAY 24, 2017
Poverty to Prosperity through Education and Entrepreneurship



<http://economicthinking.org/category/federal-education-policy/>

The Informal Education Revolution

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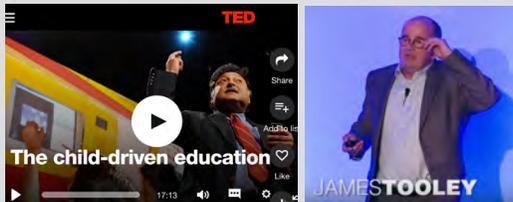
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Education Innovation from Around the World and Relevance for U.S. Reforms



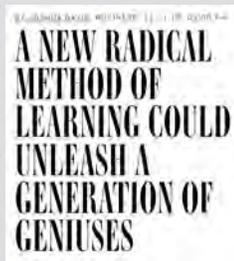
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The Innovation Education Revolution

- * “JOSÉ URBINA LÓPEZ Primary School sits next to a dump just across the US border in Mexico...”
- * Teacher Sergio Juárez Correa discovers TED video featuring an education experiment in India.
- * Then he discovers one of his students, 12-year-old Paloma Noyola Bueno...



<https://www.wired.com/2013/10/free-thinkers/>

Sugata Mitra: Challenging Traditional Education with Technology

- * If you allow the educational process to self-organize, then learning emerges. It's not about making it happen. It's about letting it happen.
- * The School in the Cloud is like a sixth sense. It's a combination of a human and tech, a composite entity.
- * This kind of learning will drive classrooms and education as we know it into museums.



<http://blog.lenovo.com/en/blog/challenging-traditional-education-with-technology>

Online Learning: Top 5 Federal Policy Issues



- * Base accountability on individual student growth models to support student-centered, competency-based learning.
- * Support performance-based systems of assessments.
- * Support federal research for high-quality online learning.
- * Support human capital development through redesigned pre-service/in-service training for online and blended learning.
- * Ensure reliable and ubiquitous student access to the Internet and quality learning materials.

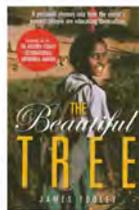
<https://www.inacol.org/resource/online-learning-top-5-federal-policy-issues/>

Entrepreneurs, Enterprises, & Education in the Developing World (and Inner Cities)

- * James Tooley's research in India and Africa for his book, *The Beautiful Tree*.
- * Informal schools vs. state regulators in the developing world.
- * Informal education across the U.S.: Unschooling, homeschooling, and more "outside-the-box" experiences.

But in India, Tooley stumbled upon a diverse network of informal schools:

“While researching private schools in India for the World Bank, and worrying that he was doing little to help the poor, Professor Tooley wondered



Informal K-12 and Higher Education: U.S. and Developing World



<http://economicthinking.org/2017/08/24/informal-k-12-and-higher-education-u-s-and-developing-world/>

Magnets, Charters, Vouchers, Tax Credits, and the School Choice Debate

Gregory F. Rehmke
EconomicThinking.org

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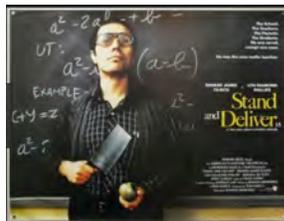
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Education Entrepreneurs

- Last segment discussed and schools for poor families in Mexico & around the world
- In Mexico (Wired's "The Next Steve Jobs") featured innovative teacher in public school.
- Sugata Mitra researched poor students with no school, just access to computers and Internet.
- James Tooley (*The Beautiful Tree*) researched schools for the poor in India and Africa.
- Other examples include Jamie Escalante of Garfield H.S. in East Los Angeles, played by in the movie *Stand and Deliver* by Edward James Olmos.



Jaime Escalante is seen here teaching math at Garfield High School in Los Angeles in March 1988. Many of Escalante's former students are raising money to help pay for their teacher's medical costs as he battles



Spare Parts: Four Undocumented Teenagers, One Ugly Robot, and the Battle for the American Dream Paperback
— December 2, 2014
by Joshua Davis (Author)
★★★★★ 200 customer reviews

HOW 4 MEXICAN IMMIGRANT KIDS AND THEIR CHEAP ROBOT BEAT MIT

<https://www.wired.com/2014/12/4-mexican-immigrant-kids-cheap-robot-beat-mit/>



Finding and Sharing Best Practices

- Long debate over school choice. Should students have the right to attend other than state-assigned schools? (including religious schools and homeschooling?)
- Current debate on expanding funding for Charter Schools.
- Wealthy families have a choice of schools. They can pull their children from public school to attend religious or private schools.
- Economist Milton Friedman proposed vouchers: state funding paying for students to attend private schools.
- Andrew Coulson advocated Tuition Tax Credits (tuition at private schools refunded by reduced state taxes)
- The oldest school voucher program was created in Milwaukee in 1990 with a singular focus on African-American students living in poverty.

The Washington Post
Democracy Dies in Darkness

Education

New charter schools debate: Are they widening racial divides in public education?

By Mandy McLaren

EDUCATION WEEK

PHI DELTA KAPPA International

A Critical Look at the Charter School Debate

By Margaret E. Raymond, Phi Delta Kappa

The British philosopher John Stuart Mill remarked, "In all intellectual debates, both sides tend to be correct in what they affirm and wrong in what they deny." Nowhere in the swirling arguments about improving K-12 education in the United States is his notion truer than when applied to charter schools. Maligned

New charter schools debate: Are they widening racial divides in public education?

By Mandy McLaren

<https://www.washingtonpost.com/local/education/new-charter-schools-debate-are-they-widening-racial-divides-in-public-education/>



Test Scores Don't Lie: Charter Schools Are Transformative

Our black and Hispanic students in Central Harlem outperform the city's white pupils by double digits.

<https://www.wsj.com/articles/test-scores-dont-lie-charter-schools-are-transformative-1503528384>

The Washington Post
Democracy Dies in Darkness

What the public isn't told about high-performing charter schools in Arizona

By Valerie Strauss

<https://www.washingtonpost.com/news/answer-sheet/wp/2017/03/30/what-the-public-doesnt-know-about-high-performing-charter-schools-in-arizona/>

Lessons On Race And Vouchers From Milwaukee

May 16, 2017 - 6:04 AM ET

<http://www.npr.org/sections/ed/2017/05/16/523612949/lessons-on-race-and-vouchers-from-milwaukee>

WNYC

The PBS NewsHour

In the black community, a division over charter schools

Listen + Queue

<http://www.wnyc.org/story/in-the-black-community-a-division-over-charter-schools/>

School Inc. Episode 1: The Price of Excellence - Full Video

School Inc.

A Personal Journey with Andrew Coulson

Episode 1: The Price of Excellence

Full Program

http://www.freetochoose.tv/program.php?id=school_inc_1&series=school_inc

School Choice in Harlem

- ...grew up in Harlem in the 1960s-'70s. My brother and I attended a failing school where we were the only white students
- Thirty years later...living in Harlem and ready to send my own son to school, those same schools were still abysmally low-performing.
- In 2006, when I opened my first charter school in Harlem, the district schools were still failing.
- Central Harlem...number of students meeting rigorous, Common Core math standards has more than doubled since 2013—from 1,690 to 3,703. Students attending charter schools account for 96% of that growth.
- Black and Hispanic students from Central Harlem...Success Academy schools outperform white students across the city by 33 points in math and 21 points in reading; low-income students outperform the city's affluent students by 38 and 24 points in math and reading respectively.



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Education on the Job and Online: Alternatives for Federal Reform

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Federal Education Funding as Foreign Aid

- * Easterly worked 20 years as development economist for the World Bank, then wrote *The Elusive Quest for Growth* and later wrote *The White Man's Burden*.
- * William Easterly and *the Planners vs. the Searchers*.
- * Local enterprises and entrepreneurs have local knowledge & are *searchers* looking to solve problems.
- * Distant and visiting *planners* come with preconceived notions about the local economy and community.
- * Similar problems with federal education *planners* and their programs. Better to empower local *searchers*.

The Ideology of Development



The failed ideologies of the last century have come to an end. But a new one has risen to take their place. It is the ideology of Development -- and it promises a solution to all the world's ills. But like Communism, Fascism, and the others before it, Developmentalism is a dangerous and deadly failure.

ASIAN DEVELOPMENT REVIEW

Planners versus Searchers in Foreign Aid
WILLIAM EASTERLY

<http://foreignpolicy.com/2009/10/13/the-ideology-of-development/>

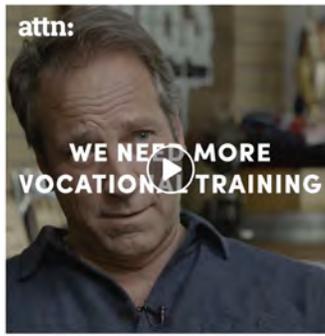
https://williameasterly.files.wordpress.com/2010/08/49_easterly_plannersversussearchersinforeignaid_prp.pdf

Economics for Education Reforms

- * Economics turns on *incentive* and *information* challenges.
- * Local education *searchers* have incentives and information.
- * Education planners and reformers—from academics to state and federal officials—have limited information about local students, teachers, and communities.
- * No one can know the best design for a restaurant, house, or retail store. Instead, an open economy has thousands trying new menus, designs, and products they offer to others.
- * State and federal education reform should encourage this discovery process, should encourage innovative teachers, schools, and education entrepreneurs.

After decades of pushing bachelor's degrees, U.S. needs more tradespeople

<https://www.facebook.com/attn/videos/1481545225214265/>



2,206,059 Views
In Germany, learning a trade is just as valuable as a college education. --
[Mike Rowe](#)

BY MATT KRUPNICK, THE HECHINGER REPORT August 29, 2017 at 1:49 PM EDT

- High schools and colleges have struggled for decades to attract students to job-oriented classes ranging from welding to nursing.
- They've tried cosmetic changes, such as rebranding "vocational" courses as "career and technical education," but students and their families have yet to buy in...

<http://www.pbs.org/newshour/updates/decades-pushing-bachelors-degrees-u-s-needs-tradespeople/>

Education and Employment

- The internships are also part of a larger turnaround effort at ChiTech centered on project-based learning. The school [90%... free or reduced-price lunch, and 14%...homeless], was founded in 2009 to teach skills [for] the booming tech sector.
- ...the district gave ChiTech a year to turn things around. As part of the deal, they partnered with **High Tech High**, a San Diego-based charter-school network and a national leader in project-based learning.

How Student Internships Saved a Chicago School

Once on the verge of closing, Chicago Technology Academy has turned itself around with a "real-world" educational initiative.

CHRIS BERDIX AUG 23, 2017 EDUCATION

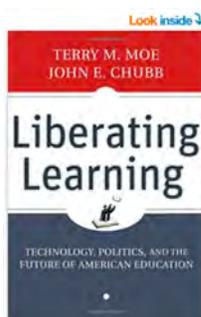
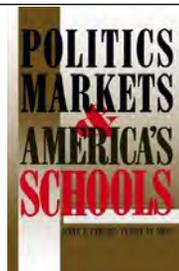


<https://www.hightechhigh.org/>

<https://www.theatlantic.com/education/archive/2017/08/how-student-internships-saved-a-chicago-school/537642/>

Politics, Markets & America's Schools

- Teachers vs. administrators in U.S. schools.
- Research by John Chubb and Terry Moe, and their 1990 Brookings Institution book.
- Comparing NYC public & Catholic schools
- Public Choice theory and institutional resistance to education reform.



The Complex History of School Choice

There's no single reason people want more choice in education.

<https://www.usnews.com/opinion/knowledge-bank/articles/2017-07-25/the-history-of-school-choice-is-complicated>

