Public Policy 290, Section 3  
Topics in the Economics of Education Policy, Fall 2014  
Professor Sarah Reber

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Office Hours: Thursdays 1-4 pm, sign-up sheet is outside my office

Course Description

This course provides an introduction to topics in the economics of education policy, with an emphasis on K-12. Topics covered include the human capital model; school desegregation; the role of money, class size, and other inputs in education quality; teacher quality; and K-12 school finance (with a special emphasis on school finance in California). Students will learn the economic approach to analyzing educational decisions of individuals and education policies. The course will emphasize the role of evidence in education policy-making, developing students’ ability to identify and interpret credible, policy-relevant quantitative analysis. During each session students will discuss and critique the methods of at least one study in depth.

Meeting time and Place: Tuesday 2:00 – 4:50 pm, Public Affairs room 4371

Prerequisites: Statistics or econometrics course covering multiple regression analysis (such as Public Policy 208) and microeconomics (such as Economics 1 or Public Policy 201). Please speak to the instructor after the first day of class if you have questions about whether you have the necessary prerequisites for the course.

Readings and Course Materials

Readings, assignments, and materials for the course will be posted on the CCLE course website: https://ccle.ucla.edu/course/view/14F-PUBPLC290-3. Printed copies of the lecture slides will be handed out in class, and the Powerpoint will generally be posted to the website after class.

Assignments and Grading

Readings Methods Analysis and Class Participation (25% of grade): The course format will be a combination of lectures and class discussion and debate. Student participation is critical, and students must read the assigned readings before class. Students will complete a Methods Analysis (see examples for week two readings) for one or more readings each week (readings marked with a *). These assignments, together with class participation, will count for 25 percent of the grade.

Take-Home Final (30% of grade): A take-home final will be handed out in class. Students may consult the readings and their notes, but they must work alone on the exam.

Three Policy Memos (45% of grade): Students will write 3 short policy memos during the course of the quarter. This assignment can be completed in groups of up to 3 students.
Course Outline

* indicates students should turn in “Reading Method Analysis” (RMA). Students should read all readings that are not marked as optional

Week 1: Introduction to the Economics of Education and Methods

1. Mayer, S. “From Learning to Earning”
2. Gruber, J. Public Economics and Public Policy, Chapter 3.
3. Angrist, J. “American Education Research Changes Tack”
5. Handouts on Statistical Methods: Stat Intro and Regression Intro are required; the others are for your personal edification

Week 2: Moving to Opportunity, Randomized Experiments, Preschool

1. Ludwig, J., et al., "Neighborhood Effects on the Long-Term Well-Being of Low-Income Adults"
2. Ludwig, J., et al., “What Can We Learn about Neighborhood Effects from the Moving to Opportunity Experiment?”
4. Duncan, G. and Magnuson, K., “Investing in Preschool”

Week 3: Methods Hodgepodge


Week 4: The Education Production Function: Introduction, Money, and Parents

2. Bergman, P. “Parent-Child Information Frictions and Human Capital Investment: Evidence from a Field Experiment”
3. Hanushek, E. “Assessing the Effects of School Resources on Student Performance: An Update”
4. Hanushek, E. “Conclusions and Controversies about the Effectiveness of School Resources”
5. Krueger, A. “Reassessing the View that American Schools are Broken”
Week 5: The Education Production Function II: Class Size and Peers

1. Rockoff, J. “Field Experiments in Class Size from the Early Twentieth Century”
2. * Schanzenbach, D. “What Have Researchers Learned from Project STAR?”
3. Hoxby, C. “The Effects of Class Size on Student Achievement: New Evidence from Population Variation”
4. CSR Research Consortium “What We Have Learned about Class Size Reduction in California”
5. West, M. and L. Woessmann “Crowd Control”
7. * Sacerdote, B. “Peer Effects with Random Assignment: Results for Dartmouth Roommates”
8. Carrell, S., B. Sacerdote and J. West (optional)

Week 6: Veteran’s Day: No class

Week 7: Teacher Quality

1. Loeb, S., C. Rouse and A. Shorris “Introducing the Issue”
2. *Corcoran, S., W. Evans and R. Schwab “Women, the Labor Market, and the Declining Relative Quality of Teachers”
4. *Clotfelter, C., H. Ladd, and J. Vigdor “Teacher Credentials and Student Achievement in High School: A Cross-Subject Anlaysis with Student Fixed Effects”
5. Chetty, R., Friedman, J., and Rockoff, J., “The Long-Term Impact of Teachers: Teacher Value-Added and Student Outcomes in Adulthood”
   - If you are interested in this, you can also watch a video presentation of this paper: [http://obs.rc.fas.harvard.edu/chetty/value_added.html](http://obs.rc.fas.harvard.edu/chetty/value_added.html)
6. Comments on Chetty, Friedman and Rockoff:
   a. Douglas Harris: “Implications for Policy Are Not So Clear”
   b. Eric Hanushek: “Low-Performing Costs Teachers Have High Costs”
   c. Dale Balou: “More Evidence Would Be Welcome”
   d. Chris Cerf and Peter Shulman: “Profound Implications for State Policy”
8. Optional: Full Issue of Future of Children “Excellence in the Classroom”
10. Optional: Chetty, R., Friedman, J. and Rockoff, J., “Measuring the Impacts of Teachers II: Teacher Value-Added and Student Outcomes in Adulthood”

Week 8: Vergara vs. California

1. Staiger, D. and Rockoff, J., “Searching for Effective Teachers with Imperfect Information”
3. Rothstein, J. and Mathis, W. “Review of Two Culminating Reports from the MET Project”
4. Treu, R. “Tentative Decision in Vergara v California”
5. “Plaintiffs Post-Trial Brief”
7. Additional Optional readings available on the course website
**Week 9: School Finance and Finance Reform**
Topics: K-12 education, Tiebout model, school finance equalization, the federal role, Title I

Questions:
- How are public schools financed in the United States?
- Which level of government is best suited to fund K-12 education?
- How equal is funding across places?
- What have school finance equalization policies done?
- What is special about school finance in California?
- What is the federal role in school finance?

**Readings**
1. Gruber, J. “State and Local Government Expenditures”
2. Hoxby, C. “Are Efficiency and Equity in School Finance Substitutes or Complements?”
5. Roza, Marguerite, “Breaking Down School Budgets”

**Week 10: School Desegregation and Wrap Up**
Topics: The causes and consequences of school desegregation

Questions
- When, why, and how much did school districts desegregate?
- Did desegregation help black students?
- How do charter schools affect segregation?

**Readings**
3. Reber, S. “From Separate and Unequal to Integrated and Equal? School Desegregation and School Finance in Louisiana” [Table 2; Table 4]
6. Civil Rights Project “Civil Rights Project’s Response to ‘Re-analysis’ of Charter School Study”
Quick Reference

Topics in the Economics of Education: Schedule of Classes

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<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Topic</th>
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<tbody>
<tr>
<td>1</td>
<td>7-Oct</td>
<td>Intro, Human Capital, Returns to Schooling</td>
</tr>
<tr>
<td>2</td>
<td>14-Oct</td>
<td>Moving to Opportunity and Preschool</td>
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<td>3</td>
<td>21-Oct</td>
<td>Methods Hodgepodge</td>
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<td>4</td>
<td>28-Oct</td>
<td>The Education Production Function 1: Intro, Money, and Parents</td>
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<td>5</td>
<td>4-Nov</td>
<td>The Education Production Function 2: Class Size and Peers</td>
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<td>6</td>
<td>11-Nov</td>
<td>Veteran's Day -- No Class</td>
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<td>7</td>
<td>18-Nov</td>
<td>Teachers</td>
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<td>8</td>
<td>25-Nov</td>
<td>Vergara vs. California</td>
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<tr>
<td>9</td>
<td>2-Dec</td>
<td>School Finance</td>
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<tr>
<td>10</td>
<td>9-Dec</td>
<td>School Segregation and Desegregation</td>
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Schedule of Assignments

5pm   24-Oct  Policy Memo 1: Early Education
5pm   14-Nov  Policy Memo 1: Class Size
5pm   5-Dec   Policy Memo 3: Vergara vs California
in-class 9-Dec  Take-Home Final Handed Out
5pm   12-Dec  Take-Home Final Due -- date is tentative