Can Public Education Get More Productive?
(Answer: yes!)

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Here we are:

⇒ Factor costs are escalating faster than revenues.

⇒ We haven’t yet asked this system to work on leveraging its resources to do the most for students

⇒ The result: Could do more to strengthen the relationship between spending and outcomes

= the Productivity Lens
What is productivity?

- “Productivity” involves raising outcomes for a given expenditure

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Outcomes
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Inputs ($)
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“Efficiency” generally refers to achieving the same outcomes at a lower expenditure.

Modest relationship between spending and outcomes.

Data from Center for American Progress, ROI study.
True or False?

Two schools with roughly the same mix of students can spend the same amount money and get different results.

True                False

Two schools with roughly the same mix of students can spend the same amount money in the same way and get different results.

True                False

Why? The “school effect.”

Rural districts vary on spending, outcomes and ROI.

Consider rural districts of similar size, poverty level:

-- 1400-2000 students
-- 40-60% FRL
What’s the secret sauce for ROI superstars?

1. Can we explain it with demographics, size or other measurable district characteristics? Yes No

2. Is it about aggregate spending patterns? Yes No

<table>
<thead>
<tr>
<th>Percent Spent On:</th>
<th>Rural ROI Superstars</th>
<th>All Other Rural Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>Student/Staff Support</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Administration</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Ops, Food, Other</td>
<td>20%</td>
<td>20%</td>
</tr>
</tbody>
</table>

What did ROI superstars say?

No single factor, program, reform strategy was identified.

But there were patterns in what they said...
What did ROI superstars say?

1. **Importance of relationships**
   - Students as individuals
   - Data to help individuals, not for system management or for compliance
   - Staff buy-in and mutual respect
   - Community as a partner

2. **Flexibility, Self-reliance, Ingenuity**

1. Conscious Tradeoffs

4. **Respect for Costs**
   - Careful stewardship of public funds

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Key opportunities for states to promote productivity

1. **Ensure information systems link spending and outcomes by school.**

1. Equitably fund students and student types (not inputs, programs, districts, etc.).

1. Build adequate revenue stream: leverage local monies as part of the state formula (for adequacy and equity)
Key opportunities for states to promote productivity

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2. **Equitably fund students and student types** (not inputs, programs, districts, etc.).

3. **Build adequate revenue stream**: leverage local monies as part of the state formula (for adequacy and equity)
   
   Two policies we like:
   - Funds based on some level of local effort counted toward state formula allocation.
   - State equalization fund matches additional local effort to ensure equitable local revenues per local effort beyond minimum requirement.
CA recently redesigned its Student Based Allocation (SBA)

Avoid:
- Categorical Funding for Programs or Delivery Models
- Dedicated Funds for Schooling Inputs
- Reimbursements
- Hold Harmless Provisions

Percentage of State and Local Monies Disbursed on Basis of students

(Analysis based on: + 2013-14; * 2014-15; ~ 2015-16)
The opportunity in Colorado:

Expand the student-based formula.

-- Fold in funds previously deployed for hold harmless, size, personnel costs, pensions, etc.).

$291 M size factor
$997 M COL = $1,556 per pupil to base
$ 20 M hold harmless

-- Could add weights for ELL, homeless, foster, etc.

-- Ensure flexibility in fund use. Minimize constraints on delivery.

When principals are asked what stands in the way of leveraging their dollars to get greater outcomes for students

On average, they list 16 barriers per principal! *

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