

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

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What is productivity?

- “Productivity” involves raising outcomes for a given expenditure

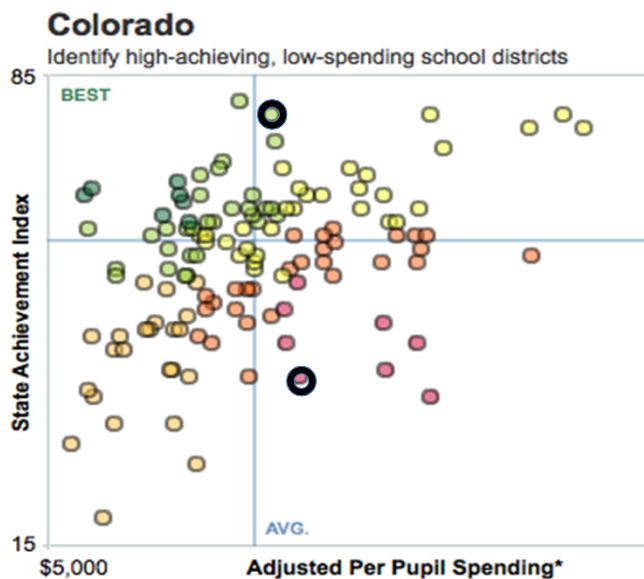
$$\frac{\text{Outcomes} \uparrow}{\text{Inputs (\$)}}$$

“Efficiency” generally refers to achieving the same outcomes at a lower expenditure.

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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.

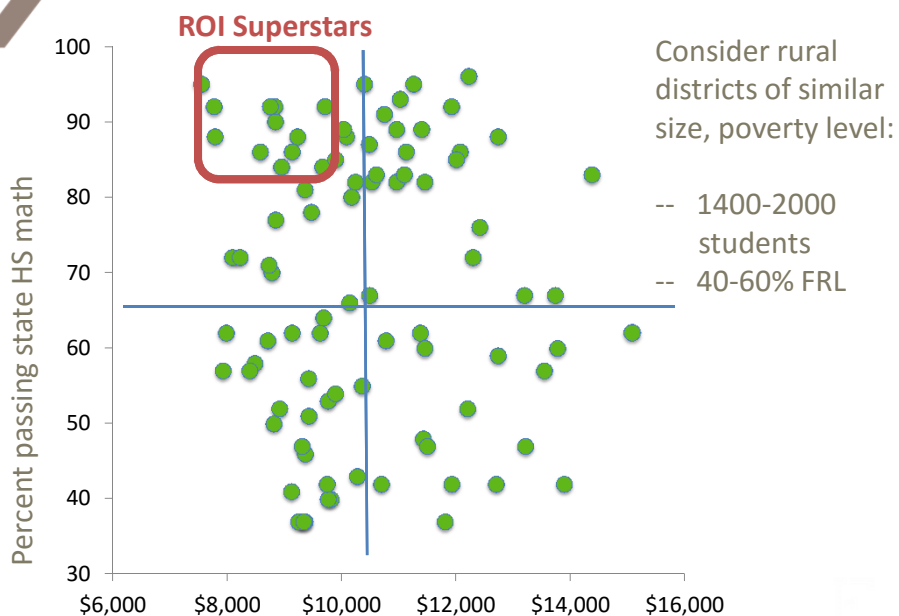
True

False

Why? The “school effect.”



Rural districts vary on spending, outcomes and ROI.





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

Percent Spent On:	Rural ROI Superstars	All Other Rural Districts
Instruction	60%	60%
Student/Staff Support	8%	8%
Administration	11%	11%
Ops, Food, Other	20%	20%

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What did ROI superstars say?

No single factor, program, reform strategy was identified.

But there were patterns in what they said...

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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

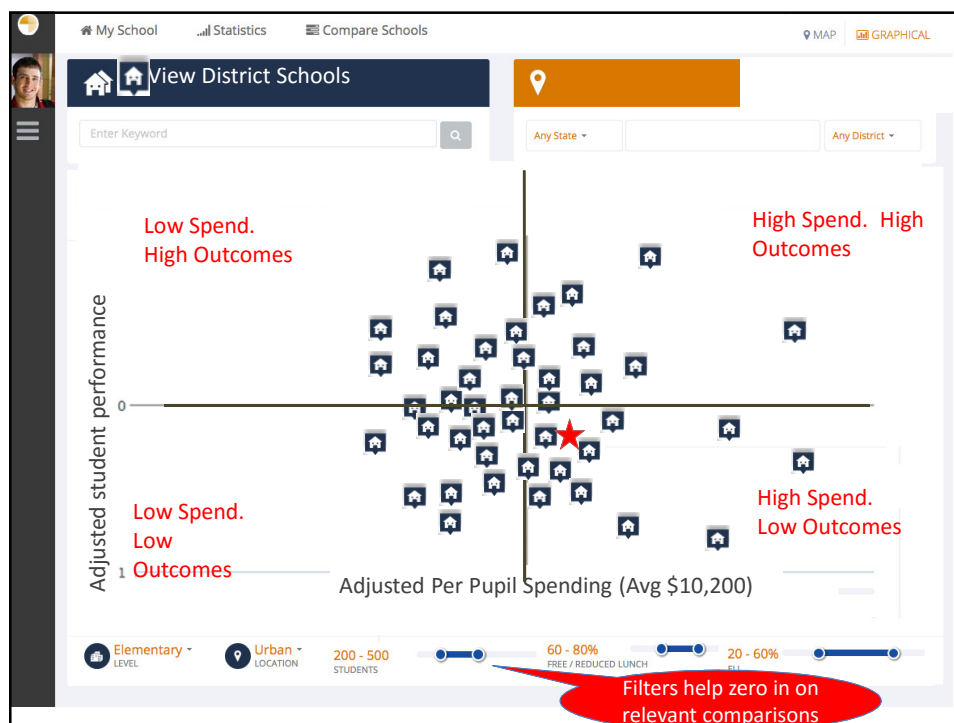
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Key opportunities for states to promote productivity

- 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)**

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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)**
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)

Student types	Allocation
Grades K-3	\$7,557
Grades 4-6	\$6,947
Grades 7-8	\$7,154
Grades 9-12	\$8,505
Limited English	+20%
Poverty*	+20%
Foster youth	+20%

Source: Data from California Department of Education, "Local Control Funding Formula Overview," last reviewed January 15, 2014, accessed February 11, 2014.

*High-poverty districts receive an additional 50% weight for each disadvantaged student above the 55% threshold.

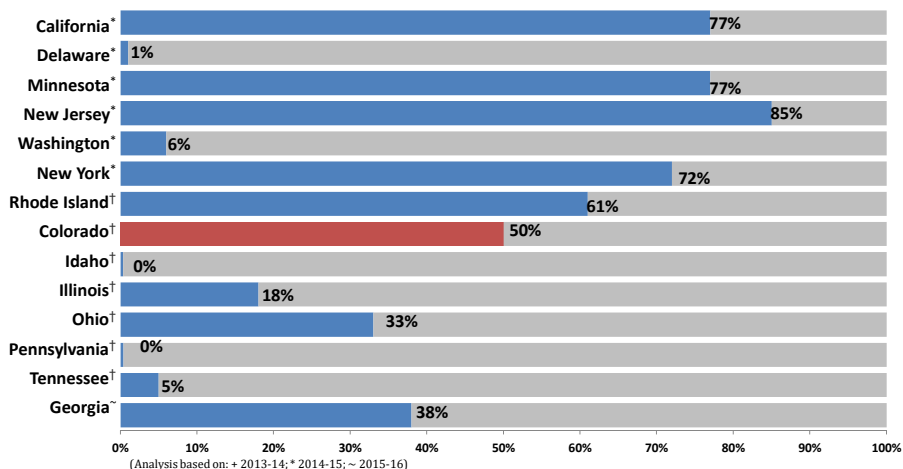
Avoid:

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

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Percentage of State and Local Monies Disbursed on Basis of students



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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.

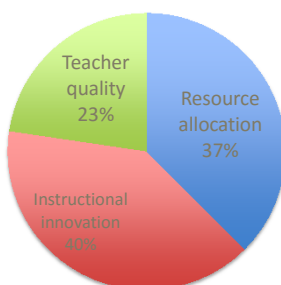
-- Ensure flexibility in fund use. Minimize constraints on delivery.

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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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*Miller (2014). *Policy barriers to school improvement: What's real and what's imagined?* CRPE. <http://www.crpe.org/publications/policy-barriers-school-improvement-whats-real-and-whats-imagined>





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