

Assessing Market-Like Education Policy Reforms

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General take on Education Policy problems

- Two related problems: Achievement gap and low average/high end performance
- Many reforms aimed at both
- Trying to overcome the 15% of time (with perfect attendance, in school) problem
- Not succeeding, generally, despite many efforts since 1983 Nation At Risk
- 60-90% of student test performance explainable by parent SES



Education and Markets

- Education as partial public good (some rivalry, excludability)
- Need to coerce taxpayers to pay for others' education (<25% with K12 kids)
- But, actual provision needn't be only public (Friedman 1955)
- Still, market analogies aside, it isn't a "normal" market



Incentives

- But, what about introducing market-like incentives into a quasi-market environment?
 - School choice
 - Teacher pay for performance



School Choice Theory

- Schools will compete to attract students
 - Tiebout residential location models already in place
 - Parent will gather information, based upon preferences, school quality, and make a good allocational choice
 - All schools will be incentivized to perform better to attract and retain students
 - Performance and satisfaction will rise
 - Bad schools will go out of business



School Choice in Practice

- Rapid growth, especially charters and intra/inter district public
 - Some voucher experiments (Milwaukee, Cleveland, DC, other targeted ones)
 - More than 30% in charters/vouchers in some cities (37% in charters in DC in 2008 !)
 - Unclear performance evidence so far
 - Difficult to get “gold standard” studies



Micro elements of Choice

- Parents (families) seek out information
- They compare alternatives, based upon their priorities
- They make a choice
- (Others also make a choice, jointly)
- Student enrolls, parents satisfied over time, or not?



Low Income Families

- Probably live near lowest performing public schools
- Least likely to have information about choices
- Least likely to feel efficacious about dealing with the school system
- Least likely to have transportation options



My Past Research

- Choosing Schools, 2000, Princeton Univ Press, Schneider, Teske, Marschall
 - NSF funded survey of public school parents in NYC/NJ comparing with/without choice
 - Few parents accurate about measurable elements of schools – class size, demographics, test scores
 - Those with choice somewhat more well informed about principals, softer information
 - Social networks main form of learning about choice



My recent studies

- Opening Doors (2006/7 CRPE report for “Doing Choice Right”)
 - 300 parents in DC and Milwaukee, 200 in Denver
 - \$50K and under, parents who “made a choice”
- DPS study April 2007
 - 750 Denver area parents – 375 in DPS, 125 who left for charters, 125 who left for privates, 125 who left to other public districts
- Transportation and Choice 2007/8
 - 300 parents in Denver, 300 in DC
 - All parents \$75K and under



Meta Findings - Information

- Most parents in these cities do report “making a choice,” (about 75%), even if that choice ultimately is their zoned local public school
 - About half actually attend their local zoned public schools
 - Those who do not “make a choice” tend to be very low income, but not an overwhelming statistical relationship



Information Gathering Activities

- INFORMATION GATHERING ACTIVITIES (% did this):

- Denver
- Visit school 81%
- Child visit 74%
- Talk to teachers 66%
- Talk to administrators 69%
- Talk to parents/students 60%
- Talk to family/friends 70%
- See printed info 64%
 - Written very easy 62%
 - Writ mat very helpful 52%
 - Somewhat helpful 33%
- Used websites 33%
- Parent info center 13%
- Parent fair/meeting 31%



Meta Findings - Information

- Even lower income parents who made choices mostly report having “enough information” and most report engaging in several info gathering activities
 - Academic quality is cited as highest priority, but usually not defined mainly by test scores
 - Lowest income, under \$20K, are less well informed (generally non working, single mothers)
 - Word of mouth most important info source; websites among least



Meta Findings - Satisfaction

- Parents who report making a choice are more satisfied with their school
 - Charter and private school parents are more satisfied than those in traditional public schools
- Parents who report engaging in more information activities (0-10 scale) are more satisfied
- Most studies show higher satisfaction from choice (in a public opinion environment of high general parent satisfaction with schools), but see Buckley/Schneider in DC



Meta Findings - Transportation

- The plurality of parents in urban areas drive their children to school (50% Denver; 30% DC)
- Parents choosing charter and private school have their children travel farther than those in zoned, default school
- About 25-30% of parents cite transportation as a big barrier to choice, or would select another school if had transport, or would have child travel much farther to a better school if transport provided



Parent Choice Conclusions

- Opening up a “quasi-market” for choice leads to many positive outcomes
- Most parents get most of the information they “need”
- Very lowest income parents struggle more and probably need some public policy assistance – need choice most, few transport options, least well informed



Teacher Pay for Performance – why now?

- Accountability pressure and “incentives” approach from conservative side
- Making teaching a more desirable profession from liberal side
- POLITICS: long-standing teachers union opposition, especially from NEA
 - AFT a bit more flexible, on “combat pay”



Public Sector and Teacher Pay

- Historically (100+ years ago), patronage problems and discriminatory pay systems were addressed by input-based civil service systems
 - in teaching, by the single salary schedule (1920s)
- Public sector unions prefer more uniform salary systems
- Promising, but non-education, public sector PFP reforms have not been widely successful (Fed SES)



Recent history

- 1983 “A Nation at Risk” stimulated some PFP activity, especially state level bills
 - Today - TX, FL, MN
- Less implementation at district level – Houston, Denver, NYC (DC?)
- Spectacular failure of Cincinnati in 2002
- Made Denver and Procomp a big, positive surprise in 2004, when union supported it



Denver's ProComp

- A 6 year+ policy odyssey
 - Proposal, to pilot, to pilot evaluation, to teacher union vote, to citizen vote for more money to support it, to implementation
 - Political compromise
- Now in third year of implementation
 - With significant changes, ProComp 2.0
 - My Center is starting evaluation study
- Book 2007: Teacher Pay for Performance: An Inside Story of Denver's ProComp Plan
 - (Harvard Education Press – Phil Gonring, Paul Teske, Brad Jupp)

ProComp Design

- Partly replaces a system of capped entitlements with a system of uncapped earned increases
- Allows teachers to design their own professional pay package based on what they do with their career
 - 10 specific elements under 4 categories: Student Growth, Performance Evaluation, Knowledge and Skills, Market Incentives
- Required \$25 million in new (annual) revenue from voters (adjusted for inflation)



Early political lessons from ProComp

- Political and technical lessons are related
- Political
 - Not punitive
 - Worked with unions and teachers; emphasize professionalism issues
 - Negotiated rather than top-down imposition; pilot test
 - District rather than state (like feds, states can incentivize with money, tech assistance)



Early technical lessons

- Technical
 - Opt-in or mandatory
 - Fairness of measures; multiple measures
 - Individual versus school (group) incentives
 - Only 35% of teachers covered by NCLB tests
 - Extra money (voters) versus zero-sum
 - Base salary changes versus one-time bonuses
 - All upside, or downside too



Upcoming ProComp evaluation

- Too early – but “motivational effects,” peer or “role model effects” and “teaching force composition effects” to be examined
- More than half of DPS teachers are now in ProComp (all new ones, about 40% of existing teachers opted-in)
- DPS reports more interested new teachers, somewhat less turnover



ProComp 2.0

- Higher starting salaries (to compete with suburbs)
- More money in combat pay, hard to staff incentives
- More of salary tied to incentives
- Caps on long-term (14+years) automatic increases



ProComp conclusions

- A compromise – not really pay for performance all the way
- DC Rhee proposal a radical step forward, but not approved
- PFP needs to prove that it works, at least on some dimensions – if not student achievement, at least teach attraction/retention



Conclusions

- Few would argue that these market-like reforms have become education's "silver bullet" or panacea
 - Theory makes sense
 - Some would suggest they haven't been implemented enough yet to really know
 - Since public education is not a normal private market, reforms that ignore the complexities don't work
 - Early empirical results mixed, somewhat promising
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