

Studied Opportunity for More Effective Spending

New Report Evaluates Educational Productivity

Data http://www.americanprogress.org/issues/2011/01/educational_productivity/methodology.html

Center for American Progress — Saturday, January 22, 2011

Study Assigns Educational Efficiency Ratings to More than 9,000 School Districts

WASHINGTON, D.C.—The Center for American Progress today released “Return on Educational Investment: A district-by-district evaluation of U.S. educational productivity,” the first-ever attempt to analyze the productivity of almost every major school district in the country. The study by Senior Fellow Ulrich Boser measures the academic achievement a school district produces relative to its educational spending, while controlling for factors outside a district’s control, such as cost of living and students in poverty.

Productivity ratings of more than 9,000 districts as well as detailed information on district achievement and spending in 46 states is available online at www.americanprogress.org/ROI.

“For too long, our school system has failed to ensure that funding consistently promotes strong student achievement,” said John Podesta, President of the Center for American Progress. “At a time when states project more than \$100 billion in budget gaps, educators need to be able to show that dollars produce significant outcomes.”

The report revealed that school districts could significantly boost student achievement without increasing spending if they used their money more productively. A highly inefficient Arizona district, for example, could see as much as a 36 percent boost in achievement if it dramatically increased its efficiency, all else equal. The study also found that low productivity costs the nation’s school system as much as \$175 billion a year. That approximate loss in capacity equals about 1 percent of the nation’s GDP.

“We hope that our findings will prompt a new way of thinking about educational success,” said Boser. “The goal must be nothing short of a breakthrough in performance that guarantees that every dollar is directed at producing high achievement for all students.”

The report also found that:

More than a million students are enrolled in highly inefficient districts across the country.

In more than half of the states included in our study, there was no clear relationship between spending and achievement after adjusting for other variables such as cost of living.

Over 400 districts around the country were rated highly inefficient on all three of the study's productivity metrics.

Efficiency varies widely within states. Some districts spent thousands more per student to obtain the same broad level of academic achievement.

The analysis showed that after accounting for factors outside of a district's control, many high-spending districts posted mediocre productivity results.

Based on the analysis, the study includes a detailed list of recommendations, including:

promote educational efficiency. Education policymakers should encourage further research as well as convene a national panel to recommend how state and federal governments can better support policies and programs.

reform school management systems. Education policymakers should create performance-focused management systems that are loose on inputs and strict on outcomes.

encourage smarter, fairer approaches to school funding. Education policymakers should develop funding policies that direct money to students based on their needs, so that all schools and districts have an equal opportunity to succeed.

report far more data on school performance. States and districts should develop data systems that report reliable, high-quality information on educational outcomes, operations, and finance.

The research was conducted under the auspices of the Center's Doing What Works project with funding from the Rockefeller Foundation, and the website was created in partnership with OMB Watch and ESRI. Please note that the individual district evaluations on the site should be interpreted with caution. The connection between spending and achievement is a complex one, and our data does not capture everything that goes into creating an efficient school system.

Contact: Megan Smith, 202.741.6346, msmith@americanprogress.org