



Productivity is sometimes seen as a dirty word in education. But it doesn't have to be.

by Marguerite Roza, Director of the Edunomics Lab and Research Professor at Georgetown University

After studying education finance for more than two decades, I'm still humbled when I see the data. When schools with the same demographics get the same amount of money, some achieve better outcomes¹ for students than others. Simply put, some schools are more productive. Too often policymakers' immediate response is to declare, "What matters is how that money is spent." They then frequently institute policies to make sure resources are spent across all schools in uniform ways that better reflect "best practice."

But that reaction ignores an even more astonishing finding in the data. Often those schools do spend their money in roughly the same way and still get wildly different outcomes!

Why? Those who work in schools know that the many human variables at play matter a lot when it comes to student

¹ <http://edunomicslab.org/wp-content/uploads/2015/03/state-imperative-SEAF.pdf>

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learning. Relationships between staff and students matter. Community factors matter. And individual teachers and staff matter. Maybe there's that one teacher who is amazingly talented at what she does; or the teacher's aide who serves as a de facto grandmother to half the student body; or the chess club leader who manages to keep young boys engaged

in school through early adolescence; or the superstar math teacher who seems solely responsible for a middle school's stellar math scores. (Lucky for me, my kids benefitted from his super-human effect). This is the stuff the financial datasets don't capture. Yet these human aspects are critical to any school beating the "productivity odds" – doing more than expected with the resources at hand.

So how is a school system supposed to improve productivity when so much of what matters can't be centrally managed and scaled across schools? The biggest mistake is to establish policies as if all this human stuff didn't matter. This thinking has prompted some systems to push a one-size-fits-all set

of expenditures for every school, even if that means making budget tradeoffs that completely override a local school community's priorities. (In my own hometown of Seattle, students, staff and parents at a local high school staged a walkout² in 2014 to protest the district's move to eliminate a critical Latin teacher³.) The net result is a top-down approach where schools are told what to do and how to do it with accompanying funding systems that put principals in a virtual straitjacket. In essence, such policies work to cripple schools' ability to harness the human element that matters so much in learning.

But there is another approach that shrugs off that top-down straitjacket and lets each school leverage its human strengths and minimize its weaknesses. It means harnessing—rather than ignoring—each school's unique human strengths to advance productivity. This requires devolving decisions around resource use to the school level and focusing only on outcomes (versus inputs and compliance). Some states and districts are already working to create finance systems that acknowledge schools aren't factories, but rather distinct enterprises that rely heavily on human interactions, from teacher to student, student to student, teacher to teacher, principal to teacher and so on. Given that each school has its own unique interplay among staff, students and the greater communities, how each school chooses to solve problems and maximize outcomes will, and should, look different.

States like California and districts like Boston, Denver and Houston, among others, have been transitioning to a finance model that gives principals greater authority over their schools' budgets in exchange for being held accountable for student outcomes. Rather than manage (and limit) how schools spend their money through rules and regulations, officials focus on how to distribute monies more equally among schools. A fair distribution ensures schools get the money they need for their specific mix of students. Rather

2 <http://www.seattletimes.com/seattle-news/garfield-students-staff-stage-walkout-over-loss-of-a-teacher/>

3 <http://crosscut.com/2014/12/seattle-school-district-schools-decide-on-spending/>

than rely on a system that pays for set staffing configurations or delivery models, school systems could consider a system where dollars follow students and are weighted for certain student characteristics (such as poverty or English language learner status).

In this model, school leaders use their budget funds to leverage their staff's strengths and minimize their weaknesses, address unique student needs, and ultimately get the most from the school's labor dollars. Principals, for their part, also have to shed a compliance mentality. Their job becomes figuring out what tradeoffs make the most sense given the mix of students and adults in the building. And they must learn how to best communicate these tradeoffs

to the community, making clear that schools can't do everything with the dollars at hand.

All of this may sound quite dramatic. But the places we've seen successfully adopt a productivity lens haven't simply thrown everything out and started over with a blank slate. They have made incremental changes year to year to try to solve the problems inside schools. They have become laser focused on what their inputs buy them. They have visibility into what things cost and have raised their expectations around what they get in return for that price tag. (They may keep the

librarian but deploy her time differently. They may keep the computer class but tweak what's accomplished there to better maximize class time. And they may keep a 4th grade teacher who's weak in math, but revise staff duties so that a specialist teaches 4th grade math and the classroom teacher picks up other responsibilities at which she excels.)

Such a model needn't shed all central managers. District officials will be called on to help build budgeting tools so principals can see the full array of costs (including labor). Many principals often don't know how much money is actually spent at their school and don't see labor as a key component at their disposal. With the appropriate tools, district officials could help principals build a sound budget that does not run afoul of federal spending rules and restrictions.

District officials could also ensure principals have appropriate budget training and exposure to the myriad choices and

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tradeoffs other schools are making—or contemplating making—to effectively serve their students. Through financial modeling, we’ve come up with many ways in which schools can get better results without spending more, including by paying their best teachers⁴ more, delivering electives in new ways⁵ and using computer labs⁶ to deliver personalized instruction. Certainly other possibilities exist that haven’t even been considered yet.

District officials could help create information systems that allow schools to gauge student progress, closely tracking spending and outcomes. Using these systems, district leaders could spotlight schools that reap high returns on the money spent, given their mix of students. They could work to help principals learn from each other, sharing strategies with schools that have similar demographics.

District financial officials could serve as an important check to help preserve school-level flexibility, providing data to

4 <http://edonomicslab.org/paying-the-best-teachers-more-to-teach-more-students/>

5 <http://edonomicslab.org/290/>

6 <http://edonomicslab.org/innovating-toward-sustainability-computer-labs-can-enable-new-staffing-structures-new-savings/>

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push back on other district leaders (such as school board members) if they try to closely manage decisions made at the school level.

Such a model doesn’t ignore “productivity” as though it’s a bad word, but rather fully engages and enlists schools in the task of improving productivity. If we want schools to figure out how to do the most with what they have, they need latitude to make the tradeoffs that work best for their own mix of

students and adults. In exchange for that latitude, they must keep a closer eye on student outcomes. Only with the magic mix of latitude and laser focus on outcomes will school systems be able to embrace a “productivity agenda.”

While productivity in education can conjure up oft-maligned images of bean counting or treating students like “widgets” in a factory, the productivity I’m studying actually shows just the opposite. It is precisely the unique interplay of human factors in a school that drive a school’s productivity and success. When we empower schools to leverage those human factors, we free educators to make decisions that make the most sense for their own mix of students and adults. ◀

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