The productivity challenge for states

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Current conditions

⇒ Over next decade, costs will likely escalate faster than revenue.

⇒ We haven’t yet asked this system to work on getting the most bang for the buck. The result: Poor relationship between spending and outcomes.

⇒ Some schools are already more “productive” than others. (And two schools can spend the same money in the same way and get different results.)

⇒ Some productivity improvements can come from using labor differently (if schools are bought into the redesign).
Districts within states vary on spending, outcomes and ROI.

Data from the ROI project at the Center for American Progress
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Relationship between spending and outcomes is no better at the school level.
All WA State Elementary Schools with > 75% F/RL

For information on this analysis, please contact Marguerite Roza, MR1170@georgetown.edu
What will happen to staff in coming years?

Based on author’s calculations from BLS, NEA and NCES data, 2012.

Adults per 1,000 students

- 1970: 58
- 1980: 100
- 1990: 110
- 2000: 120
- 2010: 124

Number of adults per 1,000 students increased over the years.
Financial models show staffing innovations that expand “reach” have productivity implications.

E.g. High performing teachers could earn sizable bonuses for taking on 3 more students, by reallocating the savings.

<table>
<thead>
<tr>
<th></th>
<th>Elementary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing class size</td>
<td>21.6</td>
</tr>
<tr>
<td>Current average teacher salary</td>
<td>$50,620</td>
</tr>
<tr>
<td>Bonus per teacher per additional student</td>
<td>Bonus per teacher for taking 3 additional students</td>
</tr>
</tbody>
</table>
Key Opportunities for the SEA

1. Build information systems that districts and schools can use to fuel productivity gains

2. Prioritize funding flexibility so that districts and schools are free to pursue productivity improvements

3. Harness lower cost/ higher reach SEA levers to affect schools/districts

4. Use state leverage to tackle long term cost obligations
1. Information Systems: The Productivity Opportunity

- Integrate student outcomes and spending, by district and by school. Enable search-ability and filtering for comparisons among like schools.

- Use the system to make sure productivity becomes part of everyone’s conversation on school improvement:
  - Benchmarking—Schools/communities measuring their progress relative to peers.
  - Discovery—leaders searching for better practices amidst cost constraints.
  - Management—District leaders managing their schools, and allocating funds sustainably. Principals in questioning district spending choices on their behalf.

- Focus attention throughout the system on productivity through training or awards.
Student Growth Rates

Adjusted Per Pupil Spending (avg, $10,200)

In context of limited resources, some schools much better at producing outcomes than others.

Adjusted student performance

High Spend. High Outcomes

Low Spend. Low Outcomes

High Spend. Low Outcomes

High Spend. High Outcomes
2. Funding Flexibility

- Structure state allocations to follow students, not processes, or purchased inputs.
  - Eliminate targeted funds for salaries, class sizes, programs, reimbursements, etc.
  - Allocate a fixed amount of funds per student type with greater amounts for higher student needs.

- Remove state regulations that inhibit resource decisions, such as staffing requirements, schedule prescriptions, etc.
  - Where not possible, institute a waiver mechanism
What share of state/local allocations follows students?

- California: 77%
- Delaware: 1%
- Idaho: 2%
- Minnesota: 77%
- New Jersey: 85%
- New York: 72%
- Pennsylvania: 0%
3. Lower cost/ higher reach SEA levers

- Compute cost per student of all SEA support/ intervention strategies

- Leverage licensing authority
  - Pull certifications for lowest performers
  - Raise training requirements for certification (or recertification) to cover new PD priorities (common core, SEL, financial training, etc.)

- Make online training modules available for free.
  (Districts can require new hires, promoted staff, etc. to have completed the training.)

- Leverage tools/ data systems

- Require financial training for school board members or district leaders.
Cost of paying for 20 hours of training:
  Per teacher: $1,373
  Total for all teachers in Florida: $256 million

Cost to district of requiring all new hires to have received online training before hire (or that online training required for step raises):
  $0

Cost to district of state certification requirements that all recertified teachers have done the online training:
  $0

*Computations by Allison Bass (2013) Forthcoming publication on costs of professional development.*
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