

The Resource Costs of Standards, Assessment and Accountability

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Introduction

- Tend to focus on effects in education research and ignore costs
- Costs relevant to question about how to provide sufficient resources
- Coming up with a dollar figure for the costs of standards-based reforms is difficult
 - Costs of what? Vague vs. concrete (e.g., class size reduction)

Research Questions

- What costs are now being incurred to create, update and minimally comply with state systems of standards, assessments and accountability (SAA)?
- What costs would the nation incur if it adopted a common system of SAA modeled after the typical state system?

Research Framework

- Fixed vs. variable costs
- Real resource costs, not expenditures
- Exclude costs of “adequacy”
 - Adequacy cost a function of where states set the bar
 - A reliable estimate for nation would require state-by-state analysis

Costs of Standards

- GAO study (1993)
 - Surveyed state testing officials and school districts in 1991
 - Findings:
 - Personnel time devoted to test administration always comprises the majority of the costs
 - Standardized assessment costs \$15 per pupil (0.3 percent of expenditures)

Costs of Standards (cont.)

- Hoxby (2002)
 - Analyzed revenues of test makers
 - < \$6 per pupil
 - < 0.1 percent of current expenditures
 - Analyzed state expenditures for assessment and accountability in 2001
 - < \$25 per pupil
 - < 0.33 percent of current expenditures

Costs of Standards (cont.)

- Education Commission of the States (2001)
 - Surveyed state departments of education about costs of developing, administering and correcting state tests
 - Average expenditures \$9 per pupil
 - < 0.33 percent of current expenditures

Our Contribution to the Literature

- Post-NCLB Analysis
- Separate fixed and variable costs
- Broader scope of costs
 - standard-setting, assessments, & accountability
 - state and local costs

Three State Systems of SAA

- Florida
- North Dakota
- Texas

Assessments for Accountability 2007-08

	Reading/ Language Arts	Math	Science	Social Studies	Writing
Florida	3-10	3-10	5,8,11	-	4,8,10
North Dakota	3-8,11	3-8,11	4,8,11	-	-
Texas	3-11	3-11	5,10,11	8,10,11	4,7

Additional Accountability Features

	Alternative Assessment for Special Ed	Alternative Assessment for ELL	Student High Stakes*
Florida	Yes	No	3,11
North Dakota	Yes	No	-
Texas	Yes	Spanish TAKS	3,5,8,11

*Student High Stakes Tests are tests a student must pass to be promoted to the next grade level, or to graduate.

Other Important Features

- Florida STAR merit pay program
 - Funded so that districts can provide 5% bonus to top 25% of instructional personnel
- Florida A++ Plan
 - \$100 per pupil awards for “A” schools and schools improving at least one letter grade
- Texas Student Success Initiative
 - Grants for programs to identify and accelerate students impacted by high stakes testing

Conceptualizing SAA System Costs

- Resources needed to create, update and minimally comply with SAA are
 - Required by law
 - Serve the function of SAA
- Real resources, not just expenditures
 - “re-labeling” old expenditures
- “Re-allocated” SAA resources counted as new resources

Conceptualizing SAA System Costs

- Just beyond compliance
 - Necessary but not required (e.g., benchmarking)
 - Apparently new resources (e.g., policy align.)

Measurement Issues

- Regional cost adjustments
 - Florida labor costs 7% below average
 - North Dakota labor costs 20% below average
 - Texas labor cost 1% below average
- National Compensation Survey for labor costs

Data Collection

- Online document searches at state education agencies
- Interviews with officials at state education agencies
- Interviews with school district officials

Important Caveats

- Analysis still preliminary
- Lower bound on total cost

Process of Standard Setting

- Substantial stakeholder involvement
 - Teachers
 - Content area experts
 - Testing experts
 - Education interest groups
 - Parents
 - Business leaders
- Wide array of content and performance standards

Costs of Standard Setting

- The cost of standard setting depends on
 - The number and specificity of the standards
 - The frequency of updates
 - The time cost for participants
- We estimate the cost of developing a single educational standard for a grade or subject

Estimated Costs of Academic Standards

	State Cost per Standard	Local Cost per Student
Florida	\$37,853	\$15.31
North Dakota	\$15,385	n.a.
Texas	\$21,853	n.a.

Costs of Assessments

- Test development and scoring
 - Florida – CTB/McGraw-Hill, Harcourt Educational Measurement
 - North Dakota – CTB/McGraw-Hill
 - Texas – NCS Pearson
- State Assessment Divisions
- Advisory panels
- Opportunity costs of test administration

Estimated Per-Pupil Costs of Assessment

	Contracts	State Gov't Assessment Divisions	Teacher Test Admin. Time
Florida	\$15.10	\$10.21	\$20.72
North Dakota	\$33.47	\$1.02	\$13.26
Texas	\$20.46	\$2.38	\$12.60

Costs of Accountability

- State Accountability Divisions
- Dedicated Support and Incentive Funds

Estimated Per-Pupil Costs of Accountability

	Education Agency Costs	Dedicated Support and Incentive Funds
Florida	n.a.	\$106.20
North Dakota	\$1.31	0
Texas	\$1.60	\$113.14

Other Accountability Expenditures

- Crucial distinction between expenditures and real resources
- Financial rewards for educators are expenditures, but arguably do not constitute new real resources
- Yet, in dollar terms, these incentives funds are considerably larger in Florida than all of the other parts of the SAA system combined

Generalizing to the Nation

- Florida, North Dakota, and Texas are not representative, so cannot simply multiply to get national costs
- Instead, we propose the following:
 - (1) define the “typical” components of state SAA system
 - (2) estimate costs of these components for a typical state
 - (3) multiply the estimate for the typical state to get current national costs

Costs of Common SAA System

- Again, we do attempt to guess what the common system might look like
- Instead, we will consider the narrower issue of how the fixed costs vary in state versus common SAA systems

Proportion of SAA System Costs that are Fixed vs. Variable

100% Fixed

100% Variable



Standards-setting

Assessment

Accountability

Conclusions

- All estimates preliminary
- Prior analyses understate costs
- Total costs of SAA small percentage of total educational resources
 - But large enough that policymakers need to consider providing targeted resources
- Fixed costs a small percentage of SAA costs