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WHY THE FEDERAL GOVERNMENT *SHOULD* BE INVOLVED IN SCHOOL ACCOUNTABILITY

Eric A. Hanushek

Americans are frequently surprised to hear that United States schools are not the best. Indeed, the typical American believes that U.S. students both attend very high-quality schools and receive the most education. The available evidence, however, suggests that both perceptions are wrong: Many other countries now provide more schooling while their students outscore U.S. students by a wide margin. Given that, what should and can be done? And, importantly, is there a central role for the federal government?

BACKGROUND

The United States has led the world in economic growth and development and, thus, the well-being of its citizens. Virtually all economists would identify the investment in human capital over the last century as a key ingredient to this growth. And, recent research suggests that an extremely important element in the human capital of a nation is the quality of its schools as measured by mathematics and science skills (Hanushek & Kimko, 2000).

Similarly, individual incomes are highly dependent on human capital measured by both quantity and quality of schooling. Specifically, cognitive skills assessed by standardized tests show a powerful influence on income differences. This influence comes directly through the effect on earnings and indirectly through educational attainment (Hanushek, 2004).

National growth and the distribution of skills in society combine to determine both the level and distribution of economic outcomes. Thus, it is possible to see how the quality of the nation's schools has long-term impacts on society.

Of course, while the impact of cognitive skills is clear and unmistakable, nothing denies that other attributes—physical skills, personality traits, or what-have-you—may also influence individual success. Nor does it deny that other attributes of the economic system—competitive labor and product markets, natural resources, or well-developed property rights—are also influential in terms of national growth. It does say that, given other favorable conditions, skills have a significant impact on individual and national economic performance.

The typical parent recognizes the importance of schooling. Families are prone to move, if they can, to where they believe schools are good. The typical parent also believes that his or her child's school is quite good—a B+ (Rose & Gallup, 2001). Moreover, the common understanding is that U.S. students obtain more education through a more developed college system than is available anywhere else. Thus, there is a smugness about U.S. schools—and especially one's own school.

Unfortunately, these judgments about U.S. schools are incorrect and are becoming farther from the truth every year. While once unsurpassed, the expected schooling

level of young Americans now ranks 14 out of 27 countries tracked by the OECD (Organisation for Economic Co-operation and Development, 2002). On perhaps a more important dimension, across 40 years of international testing, U.S. students have consistently fallen below the median, a result of true performance differences and not of any differences in the representativeness of those being tested (Hanushek & Kimko, 2000).

Finally, neither lack of trying nor lack of support for schools has led to our current situation. Between 1960 and 2000, spending per student adjusted for inflation over *tripled*. But the performance of students has remained essentially flat from the first testing of a representative sample of high school seniors in 1970 through today (Hanushek, 2003). Moreover, the gaps in achievement by race and ethnicity, while closing some in the 1980s, actually widened in the 1990s and remain unacceptably large.

STANDARDS AND ACCOUNTABILITY

After decades of an absence of measurable improvement from added resources and a variety of prior reform ideas, the nation embarked on a significantly different school reform effort in the 1990s. First, following confusion about what was to be taught and considerable heterogeneity in the materials that were delivered across classrooms within and between states, a movement to set standards for student outcomes throughout the schooling years took hold. Second, a number of states introduced extensive testing programs, as a direct means of assessing whether students achieved these identified skills. Finally, some states even set rewards and sanctions to go with the measured performance of schools.

The movement toward increased accountability of schools gained momentum throughout the 1990s. While only 12 states had accountability systems at the school level in 1996, 39 states did so by 2000. These systems were (and remain) quite heterogeneous, relying on different tests, different methods of assessing performance, and different rewards and sanctions for performance.

Following the perceived success of early-adopting states, testing and accountability became a centerpiece of George W. Bush's presidential campaign and on his election, became an early legislative priority. The No Child Left Behind Act of 2001 (NCLB) emphasizes the importance of student achievement and establishes the requirement that all states develop outcome-based accountability systems by 2006. In addition to developing ambitious goals for achievement of all children, it also sets out a series of school rewards as well as sanctions for schools that fail to make progress toward such goals.

THE FEDERAL ROLE

Of course, failure of schools does not necessarily mean that the federal government should step in. Indeed, a traditional Republican Party position has been that the federal government should have a limited role, particularly in education and other areas where the states have long had primacy.

The argument for federal involvement is, however, clear—and falls directly in line with traditional places for centralized governmental policies. School quality is undeniably important for the nation with future economic success depending directly on the quality of our schools. As noted, not only individual incomes but also the future growth of GDP are related directly to the knowledge and skills of the overall population. Moreover, the skills observed to count in the marketplace are the ones forming the basis for school accountability. Promoting a strong economy is an obvious place for federal leadership.

States and localities will not necessarily make the best decisions for the nation, because they do not take into account the implications of the high mobility of the population. Many students will move after schooling, implying that the states making the investment will not fully see the future benefits. Nor will states properly consider the implications of having many poorly educated citizens and workers. The politics of state and local school decisionmaking further complicate the situation. Voter apathy in local school elections magnified by the significant involvement in state and local politics of teacher unions—with their conflicting self-interested and social goals—leads to very predictable distortions in school policy away from any focus on measurable outcomes and toward more spending on the current institutions. The federal government offers a natural counterbalance to these forces.

Finally, the federal government has historically taken an interest in issues of income distribution and the protection of children from disadvantaged populations—the group most hurt by the past shortcomings of our schools. The big change with NCLB is a focus on outcomes for poor and minority students instead of sticking just to the traditional focus on passing extra money to schools serving disadvantaged students. The federal government rightfully sets the goals for what is to be achieved, while the states and localities retain their appropriate role in deciding how best to achieve improved outcomes.

EMPIRICAL UNDERPINNINGS OF SCHOOL ACCOUNTABILITY

At the introduction of the first accountability systems the arguments were all conceptual—much like many of the now discredited ideas previously guiding education. They did differ somewhat dramatically from previous policy proposals in that they focused on what we care about (outcomes) and not on more distant issues (inputs). Nonetheless, the proof is in the results, and concern is not the same as having a positive impact.

We now have direct evidence that school accountability leads to positive results. In an analysis of state differences in student performance on the National Assessment of Educational Progress (NAEP), Hanushek and Raymond (2004) show that states adopting accountability systems have shown better performance. However, this better performance only results from accountability systems that attach consequences for performance to the schools. Consequences have actually ranged broadly, including such things as monetary awards to schools and teachers, the threat of state take-overs of failed schools, or—in the case of Florida—the provision of vouchers to students trapped in failing schools. Systems that merely report results do not achieve the same gains. Thus, the results of prior state policies support the NCLB move to apply rewards and sanctions to school performance including those of expanded choice of schools.

Obtaining measurable results differentiates school accountability policies from the long string of prior “fixes,” including a variety of specific programs, of resource enhancements, and the like. The results indicate that states introducing consequential accountability showed improvements of some 0.2 standard deviations in eighth-grade NAEP scores over those that did not employ consequential accountability (holding other things constant). No other policy of the last decades has shown a similar sustained improvement for broad population groups.

Interestingly, these gains have also come from accountability systems that are not particularly well-designed in terms of separating the influences of schools from other influences such as family backgrounds. By concentrating on aggregate student performance instead of just the value-added of schools, the accountability systems provide rather blunt incentives to schools. Additionally, the best set of rewards

and sanctions has yet to be studied. Addressing these design shortcomings are likely to lead to even more significant improvements in student results.

SOME REMAINING ISSUES

The success of school accountability systems does not deny that there are potential improvements to be had. Indeed, NCLB should be viewed as an important starting point that can be built upon to lead our schools to even greater improvement.

First, for historical and political reasons, accountability relies upon individual state testing and standards. A case can be made, however, that educational performance must be placed within a national labor market where there are common skills that are required—thus suggesting a move toward more consistent national standards and assessment or at least a core of key competencies.

Second, NCLB includes a variety of specific, intensely discussed details that point to potential improvements. These requirements were largely political concessions that were required in order to secure passage of the legislation, but several rest on faulty or untested assumptions about their association with student improvement. The open-ended requirement mandating that all states provide a “highly qualified” teacher for all students has promoted an undesirable reliance on current certification requirements and has not directly linked teacher quality to student performance. In addition, NCLB tacitly endorses an inconsistent (and in some cases flawed) set of performance measures in current use by states. The tracking of school improvement through the standards of “adequate yearly progress” has ignored information about individual student gains and has relied upon unreliable changes in aggregate scores. The emphasis on whether students “pass” or “fail” a state test does not provide sufficient incentives for student learning across the entire spectrum of student performance. The pass/fail emphasis also simultaneously highlights and magnifies the importance of differences across states in the stringency of standards.

Third, accountability cannot solve all problems. For example, while accountability has been shown to lift the performance of all students, it has done so differentially. The state systems of the 1990s had their greatest impact on Hispanic students but less on whites and even less on blacks. Thus, achieving more even outcomes in terms of black-white gaps will still require additional effort and policies.

Nonetheless, while accountability as written into federal law with NCLB can be improved, the existing system offers considerable real improvement over the stagnant schools of the past decades. Not only is the system raising overall student performance, it is also directing attention at a portion of the educational distribution that has long been impervious to policy—the most needy and most disadvantaged. And, importantly, it concentrates on performance instead of simply providing excuses for why these students cannot be educated even with extra funds.

Much of the outcry about school accountability can be attributed directly to school personnel preferring not to have any assessments of their performance. The rallying cry of “we are for accountability but we should not require it until we have perfected the system” is largely a ploy to stop judging schools on the basis of their outputs. The argument that the federal government has not sufficiently funded the required improvements not only distorts reality (Peyser & Costrell, 2004), but attempts to seek rewards for inefficient use of school resources. The recognition that children from disadvantaged backgrounds are most in need of improved school opportunities is not reason to shy away from accountability—rather, it is a good reason for pursuing accountability with vigor. NCLB has changed the character of debate from excusing bad results because students were disadvantaged to focusing attention on the education of previously neglected students.

Current testing can be improved. Current accountability systems can be improved. The schooling results for disadvantaged students can be improved. Indeed, these are all reasons for further federal leadership, because the education of our children is truly important for all of society. To be competitive as a nation we clearly must improve our schools to the levels found in the many developed and developing countries whose students currently outperform our students by a wide margin. Moreover, to provide the opportunities for all that we are committed to as a nation, we must ensure that our schools serve all children, that is, no child left behind.

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WHY THE FEDERAL GOVERNMENT SHOULD NOT BE INVOLVED IN SCHOOL ACCOUNTABILITY

Richard Rothstein

Eric Hanushek argues that:

1. educational failure undermines our economic welfare;
2. previous school improvement efforts have failed—test scores stagnated despite higher investment;
3. states will not spur improvement because benefits are external (students may emigrate), so the task should be federal;
4. recent federal accountability efforts have been successful, validating this approach.