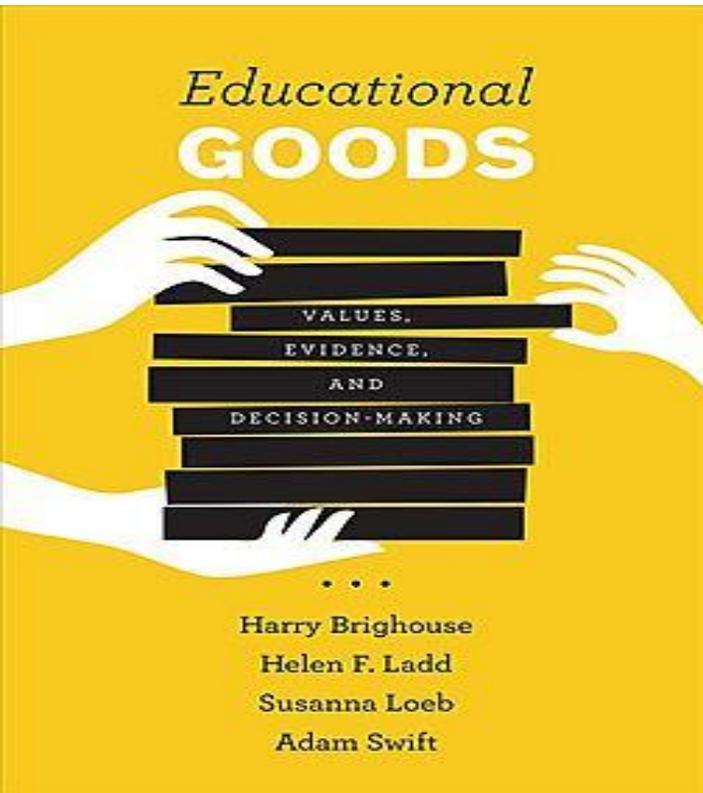


Educational Goods: Values, Evidence, and Decision Making



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Key theme of the book:

Education policy should be driven by **values** and informed by **evidence**

Outline of my talk today:

1. What are the valued outcomes of education? (**Educational goods and childhood goods**)
2. How should those outcomes be distributed? (**Three distributive principles**)
3. Application of the distributive principles to the **design of school finance policies** with attention to evidence

Part 1. Valued outcomes: What do we want schools to do?

- Standard answer in the U.S.:
 - Raise student achievement
 - Typically as measured by test scores on standardized tests.
 - (Federal law No Child Left Behind, 2002-2015, See Ladd, JPAM 2017.)
- But that is far too narrow. Clearly we want schools to do more. But what? That is a matter of values.

What do we value and why?

We need some new language: Educational goods
Childhood goods

“Educational goods” -- Definition

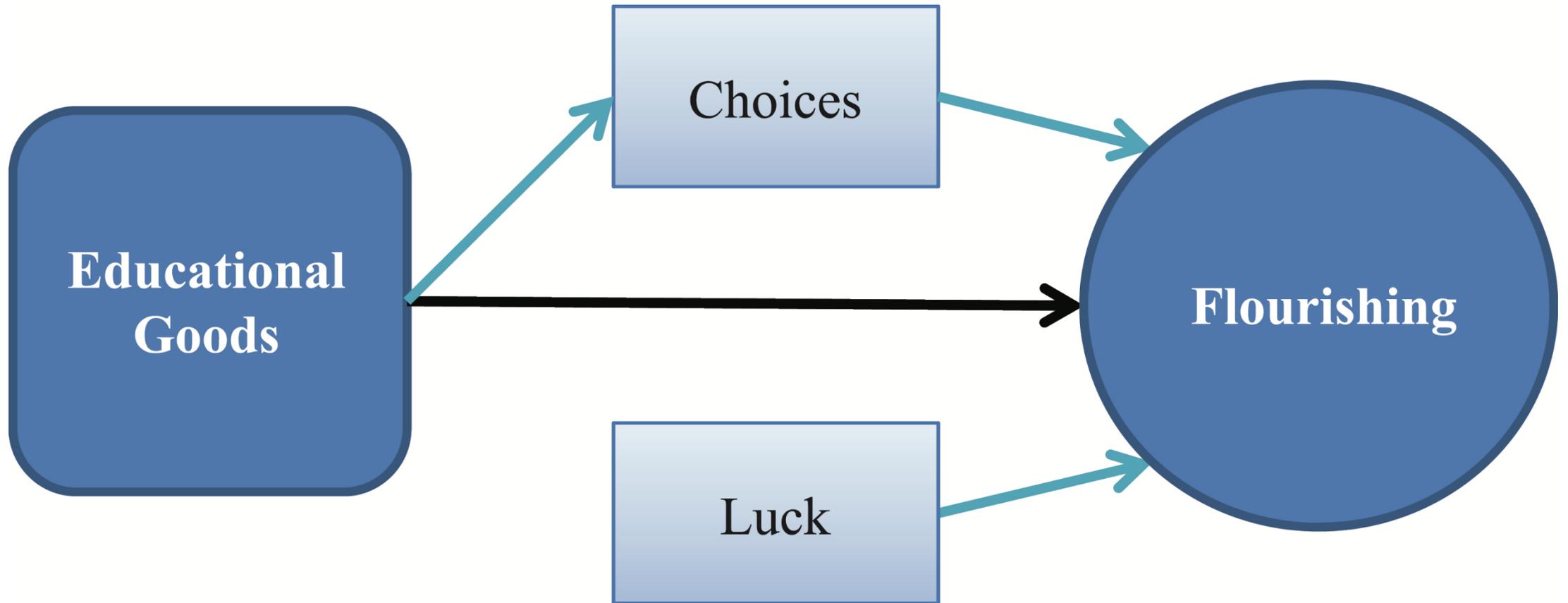
The **knowledge, skills, attitudes and dispositions** that enable an individual to flourish and to contribute to the flourishing of others.

- “Goods” because they are all positive and are valued
- “Educational” because they are generated through an educational process – broadly defined to include schooling, family, and community

Focus on educational goods that are accumulated during one’s youth.

Schooling is a key policy lever during that period of development.

Attention to **opportunity** for flourishing



Which knowledge, skills, dispositions and attitudes?

Ones that promote the following capacities

- ✓ Economic productivity in the labor market
- ✓ Democratic competence
- ✓ Personal autonomy
- ✓ Healthy interpersonal relationships
- ✓ Treating others with respect
- ✓ Personal fulfillment

Why so much focus on student achievement?

(at least in the U.S., but also many references to achievement at this conference)

- It can be measured-- albeit imperfectly by test scores
- Available in a timely manner –compare future earnings
 - Can serve as a proxy for future flourishing
- General consensus that schools can and should promote achievement.

But schools should be doing other things as well. How much attention to achievement vs. other educational goods involves value judgements.

Language of educational goods VIP.

Permits discussion of which ones we want schools to promote.

Benefits of the broader perspective of educational goods

Consider **personal fulfillment**

Can have discussions about value of art and music relative to test scores in core subjects such as math and reading.

Consider **treating others with dignity**

May change the discussion about the pros and cons of proficiency tracking at the classroom or school level.

Other values relevant to education policy making -- “Independent” values

- **Childhood goods**

Quality of a childhood is intrinsically important

Some goods available only in childhood, e.g purposeless play, naïve curiosity, carefreeness

They may be important for healthy development, and hence for educational goods, but may also be important in their own right – and relevant because [schooling is compulsory](#)

- Parents interest in their children
- Respect for democratic processes
- Freedom of residence and occupation
- Other goods.

Trade-offs needed between educational goods and childhood goods, and between those and other non-education values

Implications of this broad values-based perspective for policy

- Relevant for required funding levels (See below)
- Relevant for school (or district) accountability.
For what should schools be held accountable? And what approach should be used ?

Test scores of students, or

Internal school (or district) policies and practices

-- Some form of broad inspectorate system needed.

Part 2. Distributional considerations

Need distributive principles or values to determine if one distribution of educational goods is better than another.

-- “Equity” or “social justice” are too vague to be useful

Three principles

Adequacy

Equality

Benefitting the less advantaged

Clear definitions needed

Adequacy of what? Equality of what and between what groups? Benefitting in what sense?

Adequacy

Adequate for what? In our framework, adequacy requires sufficient **educational goods** to attain some threshold level of **flourishing** as an adult, as well as sufficient **childhood goods**.

Applies not to individual educational goods, but to the combination of all

By itself, adequacy does **not** require **equality** as long as everyone has enough

Equality

Equality of what?

Equality of per pupil funding? Equality of resources? Equality of educational opportunity?

How important is equality as a distributive principle? (in addition to adequacy?)

Some educational goods are **positional** goods – that is the relative levels matter

But, in some cases, **full equality** might interfere with other values

E.g. if achieved by bringing the bottom up, costly in terms of other goods

If done by bringing the top down, may interfere with parents' interests

(example, South Africa)

In some cases, the principle is still useful but should be restated as a goal of **greater equality**.

Equality (cont.) Equality among whom?

(use student achievement as an example)

Equality across individuals?

Probably not desirable because of variation in talent and ability.

Equality across subgroups? (for example, eliminate **achievement gaps** between groups)

Which groups?

We argue: most compelling in the U.S. for racial groups.

Reason: Stereotypes related to blacks may interfere with value that all people should be treated with dignity.

Useful to have a third distributive principle

Benefitting the less advantaged

The goal may be to bring up the bottom (rather than full equalization)

Sometimes the three principles go in the same direction. Other times they may conflict.

Policy makers may want to focus on one of them, or some or some combination of them.

Part 3. Application related to school finance policy

Consider two levels of government, with the higher level of government being the main funder of the lower level.

- Federal government and states

- State and municipal governments (or districts)

- State (or municipal governments) and individual schools

For Brazil. Perhaps useful to start with the revenue available at the state level and the decision of how to distribute that among the schools that are run either by the state government (high schools) or those run by the municipal governments (elementary schools)

Call the two levels **central** and **local**.

Let's consider three key policy decisions

- How much to **differentiate funding** across the local units?
- Should the local units be allowed to **supplement** the central revenue?
- How much should the central government try to **control** how the local areas use their funding?

First decision. Should the central government differentiate the funding among the lower level governments?

Answer: Depends on values and evidence.

Start with **adequacy** as the policy goal.

Need high level of funding (i.e. sufficient) in every local area.
High enough to promote a full package of educational goods and childhood goods

Note that some areas will need more funding than others largely because of concentrations of disadvantaged students (see examples from California and the Netherlands).

Let's say the central government cannot afford adequacy.

What if your policy goal is **equality of educational resources?** (that is, equal **quality** of teachers and school facilities per student)

Then equal funding per pupil will **not** achieve the goal unless there are no cost differences across local areas.

The problem is that some local areas may have to pay higher salaries to attract quality teachers than other areas, or may have to pay more for school buildings because of high land costs.

Hence, to achieve the goal of equal educational resources, you need **evidence** on how costs of inputs differ across local areas so you can give the high cost areas more per pupil funding than the low cost areas. And then you have to measure the costs well enough to include in a formula.

But you have to be careful about providing **undesirable incentives**. If you base the adjustment on actual salaries that are determined at the local level, the local schools have incentives to pay higher salaries specifically to gain more state revenue.

What if your goal is **equal educational opportunity** across local areas?

Then you need to adjust funding both for **costs** and for **student needs**.

For needs you will need evidence on how much more expensive it is to educate some children than others. Easier for some needy groups than for others.

Question 2. Should the central government allow the lower levels to **supplement** the state funding with locally generated funds?

Relevant whether all local areas have adequate funding in the absence of supplementation.

Then maybe supplementation OK and perhaps desirable if you care about parents' interests.

But supplements are likely to generate inequality in funding across areas in line with local wealth.

Options to deal with that inequality? Perhaps support the low wealth areas by providing them matching funds to reduce the local burden on them. Or limit the amount of supplementation.

Modified question for the Brazilian context. Let the local units apply for supplemental funds for specific purposes. Again, a trade off likely between the average level of educational goods, and inequality.

Question 3. How much **control** over the uses of funds should the state impose on the local level?

May depend on the strength of the state's goals with respect to groups of students of disadvantaged students.

Or on the values of state policy makers vis-a- vis the values of the local policy makers.

Example. Pupil premium in England

Control of funding streams may be replaced with process controls.

Examples. California weighted student funding.

Inspectorate systems in various developed countries

May depend on evidence about the benefits of spending flexibility at the local level.

Concluding thoughts.

- Clear thinking about the goals of education and about specific distributive goals should lead to better policies.
- No clear best policies. **Tradeoffs** needed among values, and **evidence** needed to judge how well specific policy options are likely to realize the important values.