

# Education Choice and Competition Index 2015

## Summary and Commentary

Grover J. (Russ) Whitehurst  
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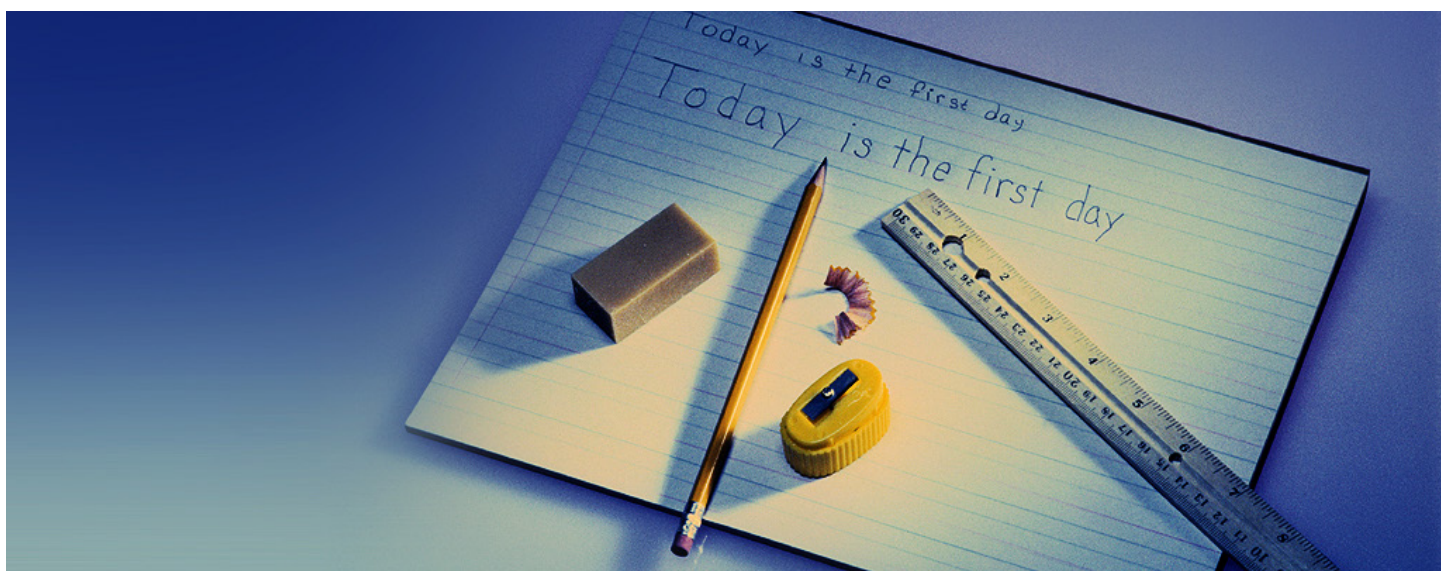


## Introduction

The availability of school choice has increased substantially in this century, driven by open enrollment in regular public schools and growth in the number of public charter schools.

Parents can choose public schools for their children in 55 percent of the nation's largest school districts, more than double the percent of such districts that offered school choice 15 years ago.<sup>i</sup> In addition, programs that allow students to enroll in public schools outside their home district are available in about 20 percent of the states.<sup>ii</sup>

Additions to the menu of school choice in many locales include virtual (online) schools; home schooling; and affordable private schools, including those supported by taxpayers through such mechanisms as education savings accounts, vouchers, and tax-credit scholarships.<sup>iii</sup> And for parents who don't get to choose schools through an enrollment system but can afford it, there is the tried-and-true approach of buying a home in a preferred school's geographical assignment zone.<sup>iv</sup> Putting all these forms of choice together, a large majority of parents of school-aged children exercise choice.



This century has seen growth in the number of states that have adopted policies under which the tuition for attendance at private schools is supported by taxpayers. The most recent innovation has been K-12 education savings accounts, a refinement of vouchers in which a state deposits funds in an account for a child from which parents can draw to pay school tuition if they forgo enrollment of that child in a public school. Intended to skirt constitutional and political obstacles to direct government support of private schools and to enhance choice and competition, education savings accounts have been implemented in three states: Arizona, Florida, and most recently Nevada (where they are under legal challenge). And they have drawn attention, positive and negative, in the political campaigns for the presidency.

Despite the political fervor associated with taxpayer support of private schools, attendance at private schools has been declining for the last 15 years, particularly for elementary and middle school students.<sup>v</sup> Thus, nearly all the progress in practical opportunities for parents to choose schools has been through two mechanisms that operate in the public sector: charter schools, which did not exist 20 years ago and now enroll over five percent of K-12 students, and open-enrollment systems in which the assignment of students to schools is accomplished by a process in which parents either express their preferences ex-ante or can request a re-assignment if they are dissatisfied with the school to which the district assigns their child.

Because 90 percent of the nation's K-12 students are educated in public schools (85 percent in district-run schools and 5 percent in public charter schools) this is where the meaningful action has been occurring and where it will need to occur in the foreseeable future if advocates of school choice and parents who want the opportunity to choose their child's school are to better realize their goals.

The majority of large public school districts in the United States offer some degree of parental choice of the schools to which students are assigned. Depending on the district, families can choose public charter schools, affordable private schools, magnet schools, virtual schools, and regular public schools in which assignment is based on parental preference expressed through a formal application process.

Districts differ in which, if any, of these options are available, the ease with which parents can exercise the choices afforded to them, and the degree to which the choice system results in greater access to quality schools for students who would otherwise be assigned to a low-performing public school based on their family's place of residence.

In order to shine light on those differences, the Brookings Institution releases an annual Education Choice and Competition Index (ECCI) that chronicles how school choice is manifested in the nation's 100+ largest school districts. The ECCI scores and ranks the 100 largest school districts and a few smaller districts of special interest on the degree to which families within the district's borders have access to:

1. Maximum choice, including:
  - good traditional public schools
  - magnet schools
  - charter schools
  - affordable private schools
  - virtual education
2. A choice process that maximizes the match between parental preference and school assignment, including:
  - no default (everyone must choose)
  - a common application
  - rich and valid information on school performance (including test results that incorporate growth and are comparable across all schools)
  - clear presentation of information (including support for less-educated parents)
3. Funding and management processes that favor the growth of popular schools at the expense of unpopular schools, including:
  - weighted student-based funding in which a high proportion of the total local, state, and federal funding follows students to their schools of choice
  - processes for closing unpopular schools
4. Subsidies for the costs of choice for poor families, particularly for transportation.



## Highlights of results

This report accompanies the fifth release of the ECCI. The ECCI can be accessed and utilized most powerfully through the [interactive website](#), which allows a variety of customizable views of the data and provides definitions and details for each of the multi-faceted dimensions on which districts are measured and scored.

This report highlights some interesting findings and provides a commentary that focuses on the tension between the psychology of choice as it is experienced by parents, the design goals of centralized computer-based assignment mechanisms, and the politics of school choice.

## Leaders in choice

The 10 top scoring cities/counties in the 2015 ECCI, with their overall letter grades and scores are:

<i>City/County</i>	<i>Letter Grade</i>	<i>Score**</i>
New Orleans, LA (Recovery District)*	A	81
Denver, CO	A	80
New York, NY	A-	73
Newark, NJ	B+	70
Washington, DC	B+	68
Houston ISD, TX	B	66
Pinellas County, FL	B	65
Boston, MA	B	63
Baltimore, MD	B	61
Tucson, AZ	B	60

\*Small district of special interest

\*\*Points received on a scale of 0 to 100 — see [Technical Scoring Guide](#)

As has been the case for all years in which the ECCI has included 100+ school districts, the Recovery School District serving New Orleans leads the nation's districts in terms of school choice and competition. The Recovery School District is not one of the 100 districts in the country that are surveyed in the ECCI based on their size. Rather, it is one of a few smaller districts included in the ECCI because of interesting efforts in the district's locale to enhance school choice. The Recovery District is of special interest because it became a hotbed of school choice after Hurricane Katrina, in part because the infrastructure of the regular school system was destroyed by the storm. This allowed the state to operate with a clean slate in rebuilding the city's schools, free of the constraints of having to work through or an existing school district bureaucracy.

There is much to learn from the efforts in New Orleans. The Recovery District has a high availability of choice, with all of the public schools being charters. It also has a good supply of affordable private schools, vouchers for private school attendance available from the state, and virtual education provided through the Louisiana Virtual School.

The school assignment process in New Orleans maximizes the match between parental preference and school assignment through a sophisticated centralized computer matching algorithm called OneApp. There is no default school assignment (everyone must choose), a

common application for traditional public schools and charters, and information on school performance that includes test results for children attending private schools. Information on school performance is clearly presented with support for parents in understanding and navigating the choice process. Transportation expenses to schools of choice are covered through free public transportation tokens or yellow bus service.

That said, issues remain in New Orleans, including that schools in the Orleans Parish School District, which also serves students in New Orleans, are not required to participate in the school assignment process managed by the Recovery District. Presently, seven do not, and they tend to be the highest performing.<sup>vi</sup> Another issue is that school choice information provided by the district is largely focused on test scores and demographics, whereas many parents highly value information on school climate and the fit between a school's culture and their values—information that is not formally available from the district. And, characteristic of almost all large school districts—whether or not they support choice—the supply of schools in New Orleans that provide what parents want and students need falls significantly short of the demand. This leaves many parents feeling that they “lost” in the lottery that assigned their child to a school, even if the lottery is fair and, over the whole population of participating parents, provides the best match between parental preference and school assignment.<sup>vii</sup>

Although the structure of the choice process in New Orleans is exemplary in many respects, the Recovery District, because of its relatively small size and unique origin, does not necessarily provide a good model of how to transform a metropolitan area served by a large traditional district into a city that is friendly to school choice. Whatever political or policy hand is being played by choice advocates in large cities, a clean slate to build a new school system is not on the table. And until this year, no large school district had received a grade of A on the ECCI. The winner for large school districts and therefore the district against which other districts could benchmark themselves in previous years had been New York City.

## ***Denver is the highest scoring large district in the 2015 ECCI.***

Denver achieves that distinction in the 2015 ECCI, rising to first place from fifth place among large districts in 2014 and receiving a grade of A.

This is due to improvements in Denver rather than backsliding in other high

performing districts. Denver previously had a strong choice system characterized by a centralized assignment process requiring a single application from parents for both charter and regular public schools. The school choice environment in Denver was enhanced substantially for 2015 through increased enrollment in alternative schools, the ability of parents to make side by side comparisons of schools on the school assignment website, the elimination of default school assignments for about half the schools in the city, and the reservation of seats at choice schools so that parents could exercise choice 365 days a year. Denver still needs progress in its participation rates, which range from about 15 percent to 25 percent below universal in the grades such as 9th in which everyone is starting a new school. Further, poor and minority families participate at much lower rates than more advantaged families. A simple solution would be to require every family to choose in order for their child to enroll, just as every district requires, for example, evidence of vaccinations.

Denver has managed to implement a sophisticated school choice system without the rancor that has been associated with the imposition of a similar system in Newark, NJ. Clearly there is a lot to be learned from Denver about the politics of school choice along with the design decisions that are the focus of the ECCI.

## Laggards in choice

Twenty-seven of the 112 school districts we scored received a grade of F in the 2015 ECCI. For the sake of economy, we only present a list of the 10 lowest scoring of those districts, which is close to identical to last year's list:

<i>City/County</i>	<i>Letter Grade</i>	<i>Summary Score</i>
Alpine, UT	F	0.13
Loudoun County, VA	F	0.17
Camden, NJ*	F	0.18
Mobile County, AL	F	0.19
Santa Ana, CA	F	0.21
Brownsville, TX	F	0.24
El Paso, TX	F	0.24
Howard County, MD	F	0.24
Mesa, CA	F	0.25
Alief ISD, TX	F	0.27

\*Small district of special interest

A letter grade of F on the ECCI means that families have very little in the way of school choice other than the choice that parents can exercise by purchasing a residence within the geographical assignment zone of their preferred public school. A city/school district that receives a letter grade of F on the ECCI, as 27 do, is not necessarily a low-performing school district in terms of student achievement. In fact, the lowest scoring district on the ECCI, Alpine, is a high performing district in Utah in terms of student test scores.<sup>viii</sup>

Alpine is a suburban district that overwhelmingly serves white, educated families. It may do a good job for its students, although empirically school districts don't have much impact on student test scores compared to the influence of family background and teachers.<sup>ix</sup>

In any case, it does not give families any choice as to the school their children attend

except by choice of where to live. And even a family choosing where to live in Alpine as a way to access the best schools is not aided by information provided by the district.

The district's website provides no information on the performance of its students with respect to state benchmarks or comparative information among its schools except through a deeply hidden link that takes the user to the Utah State Office of Education's Data Gateway.

That link provides a search box in which an interested party can input the name of an Alpine school, but the underlying machinery is broken and generates no output. Whatever the positive values and assets of the Alpine District, informing taxpayers and parents about the performance of its schools and helping parents find a school that is best for their child is not among them. This is true of all the districts that receive an F on the ECCI.



## District Movers

Districts whose scores improved by at least 10 points between 2014 and 2015 are:

<i>City/County</i>	<i>Last Year's Grade</i>	<i>This Year's Grade</i>	<i>Change in Score</i>
Columbus, OH	C-	B-	+17
Denver, CO	B	A	+14
San Antonio, TX	F	D	+11
Indianapolis, IN	D	C	+10
Osceola County, FL	F	C-	+10
Baltimore City, MD	C+	B	+10

All of the improvers saw increases in enrollment of students in alternatives to regular public schools, including public charter schools as well as public magnet schools and affordable private schools. All the improvers except Baltimore enhanced the information available to parents on the district website by including either more information about schools, or improving how information was displayed, or both. For example, a district website that had previously required parents to look up the performance of individual schools in isolation was improved by allowing parents to compare schools side-by-side. Three of the districts, Osceola, Columbus, and Indianapolis, increased the availability of virtual schooling. i.e., internet courses for credit. The biggest mover, Columbus, did all these things and, in addition, took the very important step of providing transportation for students choosing a school outside their walk zone.

Denver's move to first place among large districts on the ECCI was accomplished, as described previously, by tweaking what

was already a good choice environment. Particularly notable was their decision to reengineer their computer-based assignment system so as to reserve seats for incoming students at every school of choice in the city 365 days a year. They thereby reduced one of the great frictions produced by choice systems that require parents to express their preferences within a narrow window of time each year and that are closed thereafter.

Much of the action in the improvement category occurred for districts that had been poor to mediocre performers on the ECCI in previous years.

Two of the big movers, San Antonio and Osceola, had been laggards in previous years, but made significant changes that pulled up their scores. Both scored better because more students were enrolled in alternatives to regular public schools and because they provided more information on school performance in forms that were more easily understandable by parents.

## ***School choice in the context of psychology and politics***

Data from the 2015 ECCI and from the index in previous years indicate that access to school choice, while falling far short of the universality that many advocates see as desirable, is at substantial levels on average, near universal in some districts, and on the rise overall.

But the cities that are closest to having a system that supports full and equitable open enrollment are exposing the limitations of a design perspective that prioritizes abstract features such as fairness, efficiency, stability, and universality to the exclusion of factors that are high priorities for many parents. This can result in a duality in which a choice system seems very good from an intellectual perspective but creates undesirable levels of dissatisfaction among its users.

Some of the tension between a choice system that both wins a Nobel Prize<sup>x</sup> and annoys parents is a result of unavoidable conflict between a “fair” system and one that continues to provide formal advantages to parents based on where they live within a district.

This is nowhere clearer than in design decisions about the use of default school assignments and geographical assignment preferences. Nearly all parents, other things being close to equal, prefer a school for their child that is close to rather than distant from where they live. And parents that live, by choice or chance, close to a desirable school are understandably adverse to the potential double whammy of choice: not being able to enroll their child in that school and having, instead, to send their child to

school at a significant distance from their home.

Parents may suffer more psychological pain at the prospect or reality of that outcome than they experience psychological pleasure at winning the lottery to their preferred school. Psychologists call this loss-aversion. Loss aversion is prospective, which means that it plays out prior to the decision-maker experiencing the actual consequence of that decision. For example, a loss-averse person investing for retirement has to make a decision on investment vehicles decades before the returns from those investments are realized.

That person is likely to avoid investments that historically have been subject to short term gyrations in value, such as common stock, even if evidence is clear that stocks have generated higher returns over the long term than “safe” investments in bonds. Likewise, parents deciding to or forced to participate in a choice system react to the prospect of ending up with a school they perceive as less desirable than the one their child would be assigned to under a traditional neighborhood assignment zone. And they want to avoid this no matter what the district tells them about the mathematic characteristics and ultimate fairness of the school choice lottery. This means that all parents participating in a choice system who are loss-averse are affected, even though a large majority of those parents will get their first-choice school under a centralized, algorithm-based assignment system.

One interesting and important twist on loss aversion in school choice is that the risk of actual loss is disproportionately borne by more affluent, educated parents who send their children to public schools. This is because good schools are rarely distributed in a random geographic pattern within a city. Rather, affluent areas get the best schools.

Combine loss aversion with the disproportionate power that more educated, affluent parents have to influence education policy and you have an explanation for why one large district superintendent told me on the QT that if he eliminated the admission preferences in his choice system that favored parents living in the best neighborhoods he would also have eliminated his employment as superintendent.

Loss aversion and its impact on the politics of school choice isn't limited to affluent parents, although they are more likely losers in a fair open-enrollment system and have more political power to block the adoption or expansion of such systems. Here's how a lower-income parent from Denver expressed it:

***It's a raffle. We don't have anything to do with it...They're not giving you the choice that you wanted, they should leave you where you are, not take you away from your place and send you somewhere they want to. Because it's not 'school choice.' It's their choice.<sup>xi</sup>***

Cities handle the political tensions of the expansion of choice in different ways that seem to have different consequences for students and their families as well as for the political risk of those responsible for implementing school choice. Some of the top performing districts on the ECCI offer contrasting models of how to proceed.

### Opt-in

Many districts allow parents who are the most likely to be dissatisfied with their neighborhood school to opt into a choice system, whereas they preserve the status quo of zip code-based assignment for other parents. In most cases, this takes the form of providing a default assignment to schools linked to the family's place of residence but allowing parents to request a transfer if they are displeased with the default. Denver, the ECCI high-scorer among large districts for this year, has a better opt-in approach in terms of equity: It allows and encourages all parents to participate in an open enrollment system, but provides a school-boundary assignment for students whose parents opt out of the choice process. The Denver school district puts the choice system in the forefront in terms of describing to parents how to enroll their child in a Denver public school; it has reserved a significant number of seats at most of its schools for parents who exercise choice; and it has expanded the number of schools of choice over time. Denver has a lot of civic support for its choice system. Both the opt-in nature of the design and the incrementalism in the number of schools subject to open enrollment may be keys to its success in that regard.

### Forced choice and open

New Orleans (Recovery District) and New York City have implemented choice systems in which everyone has to choose. There is no default assignment at the high school level (in NYC) or for any level of school in New Orleans. From the perspective of socio-economic equity and design characteristics that favor providing the best match between parental preferences and resulting school assignments, a system in which everyone chooses is to be preferred. But because of loss aversion this leaves dissatisfied parents and political vulnerability. It also has problems that flow from the fact that affluent and educated parents shop differently than low-income parents. Per the 2014 ECCI report, “There is substantial evidence that low-income parents shop differently than other parents when there is an open enrollment process for public schools. In New York City, for example, student self-sorting into schools that serve similar students is prevalent, and lower income, lower achieving minority students compared to their more advantaged peers are more likely to have as their first choice a lower performing high minority school...[thus] schools tend towards stratification based on socioeconomic background.”<sup>xii</sup>

### Forced choice and constrained

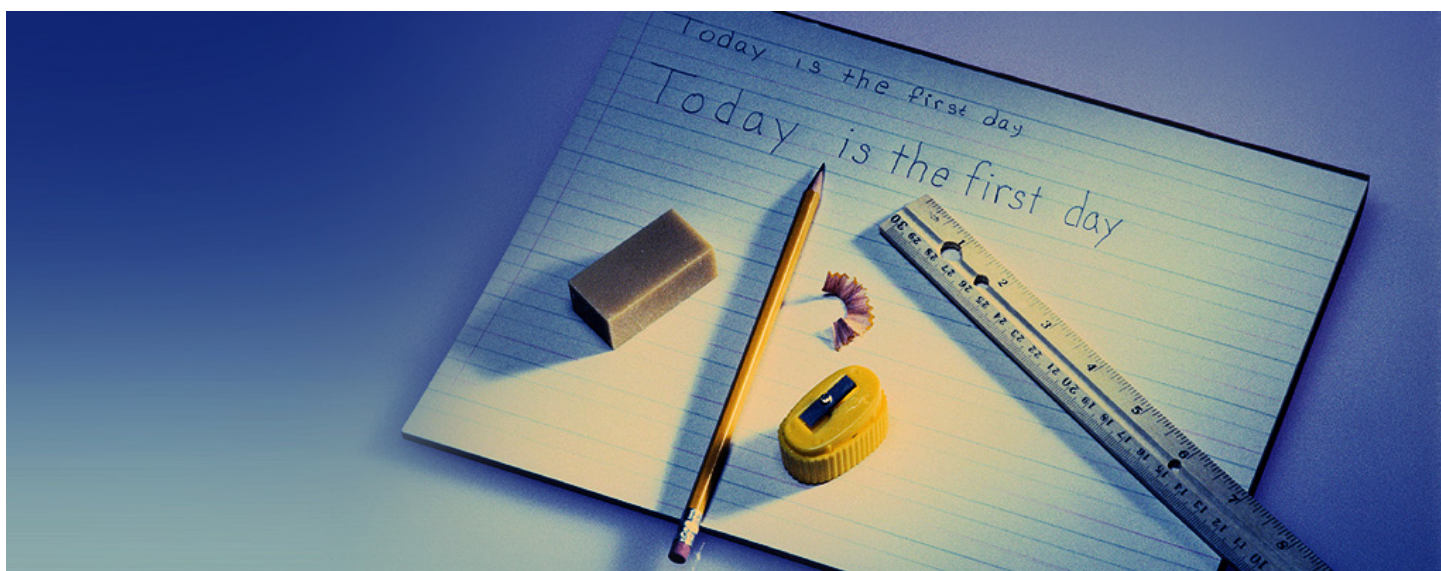
Boston has recently transitioned from a forced-choice system that was substantially open to one that is constrained both geographically (parents can now choose schools only within a prescribed region of the city) and in terms of options (parents receive a list of schools from which to choose, at least one of which is a high performing school).<sup>xiii</sup> These changes in the design of the Boston school choice system are interesting, and in the case of pre-populating the choice list, potentially important in blunting some of the negative consequences of unguided choice. The application of behavioral economics to choice in other sectors, for example the selection of Medicare plans in the health sector, suggest that constraining the initial menu of choices and nudging the shopper towards alternatives that evidence suggests should be preferred can have substantial effects on the decisions that are made.<sup>xiv</sup> And since the parent in Boston shopping for a school for her child, as well as the retiree shopping for a Medicare plan, has the option of rejecting the pre-populated list and choosing instead from a much larger list of options, these interventions are nudges rather than top-down impositions that remove or limit choice.



It remains to be seen whether approaches such as that taken by Boston, or other interventions in behavioral economics that may be on the horizon for school choice, can successfully bridge the tensions between choice systems that have the strongest design features from a mathematical and logical perspective, vs. the very different equations that flow from the psychology of choice for individuals, vs. the desire for a public school system that is equitable in its provision of schooling to children from all socioeconomic strata.

This area is ripe for innovation but progress may also be much slower than desirable because the portals to all public school choice systems are presently designed and managed by school districts. Boston has MIT to help it, but few, if any, other districts have such assistance available. Districts are not well positioned in terms of resources to either design for themselves or to purchase from others a single system that will be either optimal or easy to modify once implemented.

Why not let digital entrepreneurs into this space by allowing independent entities to provide portals for parents to a district's choice process? Different providers would go different directions in terms of the information presented and the way that the parent is asked to express choice. With an open system for school choice portals, parents would shop not only for schools but for the website that best meets their needs in choosing schools. The downsides to this are all technical, having to do with integrating and coordinating the input from independent websites into a district's choice algorithm. These are solvable (I have three computers open at the moment, each connected with the same email account, and each able to send and receive mail with knowledge and adjustment to email activity through either of the other computers). The upsides for entrepreneur-based, independent, and competing school choice portals are substantial—no less than school choice advocates would say adhere to schools that have these characteristics.





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