

The Education Choice and Competition Index: Background and Results 2011



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Within the last 15 years, there have been notable increases in avenues for school choice, including the ability of parents to choose a regular public school other than their assigned school, charter schools, virtual schools, and private schools via voucher or scholarship programs funded through tax credits.

As noted in a previous report by the Brown Center, [Expanding Choice in Elementary and Secondary Education](#), education choice exercises a powerful pull on parents of school children: a quarter of parents of school-aged children report that they moved to their current neighborhood for the school. Another 11 percent of families choose to pay for their children to attend private schools. Charter schools and homeschooling account together for another 6 percent. Fifteen percent of school-aged children attend parent-selected public schools (i.e., schools to which the parents apply for their child’s enrollment). Thus more than 50 percent of parents of school-aged children have engaged in some form of school choice, albeit primarily in the form of residential choice and private school tuition: two socially inequitable means of determining where a child attends school. There is little doubt based on the long waiting lists for popular public schools of choice that many more parents wish to exercise choice than are currently able to do so, and schools of choice consistently generate more positive evaluations from parents than assigned schools.

Further, a number of studies indicate that public schools tend to improve when they are exposed to choice and competition. That poor families are least likely to be able to exercise choice means that the school districts that serve those families are least subject to competitive pressure and least likely to change.

Barriers to choice are typically imposed bureaucratically and legislatively, e.g., through charter school caps, restricting public school enrollment to the immediate neighborhood of a family’s residence, and allowing school districts to determine whether virtual education courses should be funded. But these same bureaucratic and legislation mechanisms can also be levers for expanding choice, e.g., having school funding follow children, allowing district-wide open enrollment in public schools, permitting charter expansion, funding virtual courses.

Expanding school choice and competition is desirable not only because parents want to exercise choice and schools respond to competitive pressure, although those are compelling reasons. It also provides an alternative to top-down efforts to improve schools through regulation. Often education reform is seen as selecting between two opposing paths, centralizing control in Washington though efforts such as No Child Left Behind and Race to the Top or devolving recently accumulated federal power to states and local school districts. Both courses of action have drawbacks.

Top-down federal control imposes significant regulatory burdens on schools, is inflexible and far removed from the consumers and providers of education



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services, and has to date had only relatively small effects on raising student achievement. Local and state control, in contrast, is often undermined by special interests that control school bureaucracies. The ability of taxpaying parents of school-aged children to leave school districts with which they are dissatisfied is severely constrained for the low-income and otherwise immobile populations that are most likely to find themselves served by low-performing schools. Introducing substantial school choice and competition within the boundaries of public school districts provides an alternative to both increasing top-down control from Washington and a return to the status quo of the past century in which local and state school bureaucracies carried out their missions with little accountability either to the federal government or taxpayers and parents.

We believe that progress in expanding choice can come from exposing differences among school districts in the degree to which they provide parents with choice and generate competition among schools. Accordingly we have developed an Education Choice and Competition Index (ECCI) that provides an informative and consumer-relevant measure of the degree of choice and competition within the geographical boundaries of large school districts. Information from the ECCI is conveyed through a public [website](#).

Past measures of K-12 choice and competition have been designed as research instruments and focused on the quantity of competition experienced by individual schools as measured by their geographical proximity to schools that compete for the same population of students (e.g., Belfield & Levin, 2002; Figlio & Hart, 2010). The measures have not attempted to gauge the quality of competition on dimensions such as the availability of choice, the degree to which parental choices are satisfied, the financial consequences for traditional public schools of loss of enrollment, the quality of information provided to parents, or the availability of transportation options. Nor have the measures attempted to index quality of choice and competition at the district level. Finally, they have neither been designed for public use nor motivated by the goal of increasing public demand for more choice and competition within school districts. The ECCI fills these gaps.

Index Framework

The framework for the ECCI is derived from our previous report, [Expanding Choice](#), in which a key recommendation from our expert panel is that:

“Whatever the education delivery design the public has chosen to put in place in a particular school jurisdiction, parents should be afforded the maximum degree of choice, provided with valid information on the performance of the education programs that are available, and have their preferences for education programs reflected in the funding of those programs.”

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The ECCI takes this foundational recommendation and translates it into a scoring rubric for school districts based on thirteen categories of policy and practice that our Task Group has identified as important to the availability and quality of choice and to the extent to which choice creates competition among providers of education services. The data on which districts are scored are derived from best available sources. Federal statistics from the National Center for Education Statistics are preferred. For categories for which no federal data are available information is derived from school district websites or interviews with district staff. The following sections briefly describe these categories and why they are important. A detailed [scoring guide](#) is also available.

Availability of Alternative Schools

A desirable component of school competition is the presence of options in addition to traditional public schools. In our framework, alternative schools can be of several types, including charter schools, magnet schools, denominational schools, and affordable private schools. While the availability of choice among traditional public schools within a school district can be a positive influence on competition in and of itself, school district bureaucracies often have, by intent, a homogenizing influence on schools within their purview. Curriculum, the teacher workforce, levels of parent involvement, length of school day and year, school autonomy, quality of facilities, and per pupil budgets are similar across regular public schools within most school districts. In contrast, alternative schools vary considerably on these dimensions. In economic theory, competition produces efficient markets. Competition on the features of schooling can only occur to the extent that there is both choice of schools and variation in features – thus our inclusion of the availability of alternative schools as a major category[§] in our index since such schools create variation in features.

Policies on Virtual Education

Whereas most forms of school choice are geographically bound and thus carry significant time and transportation burdens if families do not wish to send their child to their neighborhood school, virtual education (schooling delivered through the web) has the advantage of being able to expand choice for everyone and the potential to lower costs and increase effectiveness to boot. But under current K-12 models of virtual education, a state or, more typically, the local school district is able to determine whether the virtual schooling meets its standards and is acceptable as a credit towards graduation. At the local district level, this places the bureaucracy that may be most disrupted by the introduction of virtual education in the position of gatekeeper. These same local self-interests can easily manifest themselves at the state level through routine political

[§] Major categories are double weighted in our scoring process. The three major categories are Alternatively Available Schools, Assignment Mechanism, and Application Process.

processes. In this context, we think it is particularly important for the expansion of choice and competition that school districts have policies that allow students to enroll in virtual courses that count towards graduation or matriculation without extra costs to families, and that they have followed through on these policies as indicated by reasonable levels of student participation.

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Funding Follows Students

In our framework, a primary driver of competition among schools is the loss or gain of funding that comes from changes in enrollment. A school that is unpopular with students and losing enrollment should lose funding. Likewise, a popular school should gain funding as it attracts more students. But in many school districts a school with declining enrollment may actually gain resources in the form of smaller class sizes and fewer administrative burdens whereas a popular school may be bursting at the seams and under-resourced. The competitive effects of school choice cannot be realized in a system in which schools that lose students win and schools that gain students lose. Yet, that is the situation in many school districts that nominally provide some degree of choice. Accordingly, we score districts on whether they have an explicit student-based funding formula and the proportion of their total budget that is allocated to schools based on that formula.

Restructuring or Closing Unpopular Schools

The prospect of closure or restructuring of an unpopular school is, along with student-based funding, an anchor of choice-based competition. Changes in student-based funding may not be immediately obvious or consequential to staff, whereas the prospect that the school will be closed or restructured if it continues to decline in popularity is hard to ignore. We score districts on whether they have a published policy citing low or declining enrollment due to parental choice as a reason for closing or restructuring schools and whether they have a history of actually closing schools on that basis.

Assignment Mechanism

Our framework places considerable emphasis on the processes by which students are assigned to schools, treating it as a major category for evaluating choice and competition. The antithesis of choice is an assignment mechanism based on residence, with little or no chance of parents being able to enroll their child in a school other than the one in their neighborhood. In contrast, the paragon of assignment systems is one in which students are assigned to schools through an application process in which parents express their preferences and those preferences are maximized. We score districts based on where they stand with respect to these two poles.

Application

Among school districts in which parents can choose among regular public schools and/or charter schools, some have different applications for different schools, including in some cases different timetables. In contrast, the ideal process has a common application for all public schools within a district's boundaries, including charter schools. There are variations between these extremes that are captured in our scoring rules. It is difficult for the parent to choose the school she really prefers for her child, and impossible for a district to implement an assignment mechanism that maximizes parental preference, if individual schools have their own application processes and timetables. In such situations, which bear a resemblance to applying to colleges under early-decision rules, only the most committed and informed parents can navigate the system, create multiple applications for their child, and deal with possible bird-in-the-hand conflicts in accepting an admission offer that has a timetable for a decision in advance of other admission offers being due. We consider a unified application process to be a major category for evaluating choice and competition.

Comparable Standards and Assessments

Another feature of an ideal choice system is that all schools supported with public funds are subject to comparable standards and assessment regimens. Common standards and assessments provide transparency for choice and allow schools to be compared on a common metric. Public schools have to comply with this prescription at least in regard to the requirements for standardized testing under the Elementary and Secondary Education Act. But private and denominational schools that receive public funds through voucher and tax-deductible scholarships do not. In our framework, parents should be able to shop for schools based at least in part on student outcomes. They cannot comparison-shop across the public and private sectors unless there are comparable assessments and public reporting of results. Of course, public school districts cannot impose reporting requirements on private and denominational schools within their geographical borders. However, states could as a condition of receiving taxpayer funding to support student tuition.

Gain Scores

Ideally, parents will choose schools based on their performance in raising student achievement not just the absolute outcomes that students achieve. If parental choice of schools is based primarily on the latter, then schools that serve populations of advantaged parents are nearly always going to look better and be preferred. That is why we believe the information presented to parents as a basis for judging school performance should include student achievement gains based on longitudinal data on academic growth of individual students. This measure will make it more probable that parents will choose schools that are more likely

to boost the achievement of their children, and will provide a basis for competition among schools on the dimension of the quality of teaching and learning.

Accessible Online Information

The quality of information to support school choice is as much a function of how it is presented to parents as its substance. Information that is difficult to obtain, confusingly presented, or that doesn't permit easy comparisons among schools interferes with the choice process and promotes choices that do not accurately reflect the parents' intent. We believe that information about the choice process and school performance data should be easily accessible on a district website, presented clearly, permit side-by-side comparisons of schools, and be sufficiently complete that there isn't a population of "in the know" parents with a clear advantage in making an informed choice of schools.

Additional Performance Data

Currently the data on school performance that most school districts make available to the public is limited to what fulfills the federal reporting requirements under the Elementary and Secondary Education Act, which is essentially the proportion of children meeting achievement targets at each grade, disaggregated by student demographic characteristics such as race. This information is useful but falls far short of what parents need and would like to know about schools before they make a choice. Best practice for districts includes the provision of additional information on such things as student and teacher absentee rates, measures of parental satisfaction, and course offerings. Also important in a system of open enrollment is information on school popularity as revealed through the ratio of applications to slots. Publishing popularity scores on schools in districts that have open enrollment plans could, we believe, have a significant influence on school leaders at both the building and district levels. Who wants to be the principal of the least popular school in the district? Who wants to be the district superintendent who continues to fund schools that are manifestly unpopular with parents? And of course it can be a significant boon to parents who are trying to determine what is frequently only available by word of mouth.

Understandable Performance Data

Performance data is only useful to parents if it is understandable. Ideally, performance data should be available with text explanations providing parents enough information to interpret the data. The data should also allow for side-by-side comparisons of schools. Performance data that is presented in graphical or tabular form with minimal or confusing text explanations is hardly better for parents than no performance data at all.

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Transportation

If a student is physically unable to get to a school of choice there is no meaningful choice except through the vehicle of virtual education. An ideal choice system is one in which students are provided transportation to any school of their choosing within district borders on the same terms as for the neighborhood school. Otherwise stated, if students qualify for busing if they live more than one mile from a traditional public school, they should qualify for busing to a school of choice that is more than one mile from their residence.

School Quality

School choice is a sham if all schools are low performing. In that scenario little competition is likely to result. Why would a parent want to get up early to get her child to a more distant school if that school is no better than the neighborhood school? Thus the ECCI captures information of the average school quality within districts.

First Year Results

The 2011 version of the ECCI includes overall and category scores for the 25 largest school districts in the U.S. We assign letter grades to districts based on their overall scores to provide an easily graspable sense of the degree to which districts meet the ideals on which the scoring framework is based. Subsequent versions of the ECCI will expand to include at least the largest 100 school districts. All the results from the ECCI are available [online](#). The ECCI website allows sorting of districts on their overall scores as well as on each of the 13 categories that contribute to the summary assessment. It provides detailed results in each category. And it allows side by side comparisons of districts. Here we describe some highlights.

The high score overall goes to New York City, with Chicago in second place. Both received letter grades of B. The low score goes to Orange County, Florida, which received a grade of D. New York performed particularly well in its assignment mechanism, its provision of relevant performance data, and its policies and practices for restructuring or closing unpopular schools. Chicago, in contrast to New York, has more alternative schools, a greater proportion of school funding that is student-based, and superior web-based information and displays to support school choice. If the best characteristics of Chicago were transferred to New York and vice versa, both would receive letter grades of A.

Low performers, including Orange County, are distinguished from higher performers, including New York and Chicago, by the absence of choice. In other words students receive an assignment to a school by the district based on their place of residence and there is little or nothing the parents can do about it. Under our scoring rules and the conceptual model on which they are based,

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everything pivots off choice. Thus a district that doesn't support choice cannot score well even if it does a good job within some categories of the scoring system. Orange County, for instance, has better treatment of virtual education than either New York or Chicago by virtue of the state of Florida's establishment of the Florida Virtual School (which is open to all public school students in the state). Further, we find its school information website to be easier to understand and navigate than New York's. But in the absence of parental choice among its regular public schools, these attributes are merely bells and whistles.

The side by side comparison of district practices and characteristics is a critical design feature of the ECCI website. It allows districts and those who wish to influence district policies to benchmark the districts and to see what has and can be accomplished in districts that are performing well.

Conclusion

The ECCI provides a snapshot of the quality of education choice and competition within large school districts and allows for comparisons of choice and competition policies and practices across districts. The ECCI identifies areas in which school districts can change policies to expand choice such as adopting an assignment mechanism that maximizes the chance that parents will be able to enroll their child in the school they really prefer and enhancing the quality of information on school performance to support parents in making school choice. A fundamental rationale for school choice is its effects in creating a vibrant marketplace for better schools. There is evidence that it presently does so, but its effects are muted by administrative and legislative requirements that reduce choice and buffer schools from the effects of competition. With a quarter of America's youth not graduating with a regular high school degree, with those students who remain in school performing at mediocre academic levels compared with students in many of the nations with which we compete, and with the costs of our public education system among the highest in the world, we believe that reform requires something other than more of the same. The wide availability of school choice based on valid information on school performance and with consequences for schools based on their popularity is, we believe, a foundation for progress. The intent of the ECCI is to create public awareness of the differences among districts in their support of school choice, provide a framework for efforts to improve choice and competition, and recognize leaders among school districts in the design and implementation of choice and competition systems.

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