

Dave Trabert

From: Taylor, Lori L.
Sent: Tuesday, October 30, 2018 11:49 AM
To: Dave Trabert
Subject: RE: Proficient in Kansas

Like a typical policy wonk, I enjoy talking/emailing about the work. You never came close to being a pest. 😊

Keep in touch,

Lori

From: Dave Trabert
Sent: Tuesday, October 30, 2018 11:47 AM
To: Taylor, Lori L.
Subject: RE: Proficient in Kansas

Thanks...I think that covers it. Sorry to be a pest.

Dave

Dave Trabert
President
Kansas Policy Institute
12980 Metcalf, Suite 430
Overland Park, KS 66213

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From: Taylor, Lori L.
Sent: Tuesday, October 30, 2018 11:40 AM
To: Dave Trabert
Cc: Jason Willis
Subject: RE: Proficient in Kansas

Hi Dave-

We did not benchmark Kansas public schools relative to schools in other states. Such an analysis is not possible in a cost modeling context because there are no reliable academic quality indicators that are common to multiple states.

Second, we have no information about the extent to which Kansas districts are able to negotiate the lowest possible prices for the inputs they purchase. However, we note that our cost analysis used a teacher cost index that was based

on hedonic wage analysis. We did not use actual salaries paid by the districts as the measure of labor cost for precisely that reason: some districts might not be paying the lowest possible price.

Best,

Lori

From: Dave Trabert _____
Sent: Tuesday, October 30, 2018 10:25 AM
To: Taylor, Lori L. _____
Cc: Jason Willis _____
Subject: RE: Proficient in Kansas

Thanks, Dr. Taylor.

With respect to your last line, is it the case that your analysis did not benchmark Kansas public schools relative to the cost, performance, and student mix of public schools in other states?

Second, does your analysis know with reasonable certainty that Kansas public schools are paying the lowest possible prices for the inputs they purchase?

Dave

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From: Taylor, Lori L.
Sent: Tuesday, October 30, 2018 9:55 AM
To: Dave Trabert
Cc: Jason Willis _____
Subject: RE: Proficient in Kansas _____

Dear Dave- _____

I've penciled in answers below. Hope it helps.

Best,

Lori

From: Dave Trabert _____
Sent: Monday, October 29, 2018 3:10 PM
To: Taylor, Lori L. _____
Cc: Jason Willis _____
Subject: RE: Proficient in Kansas

Dr. Taylor,

Thanks for your response. I have a few follow-up questions to be sure I understand your answers.

1. Regarding the 96 percent of output, is it fair to say that means that, once adjusted for student demographic differences, there's not much achievement variation between buildings?

No, I don't think that is the appropriate interpretation. There is still a lot of achievement variation between buildings even after demographic adjustments. There is also a lot of funding variation. I would interpret this finding as evidence that most of the variation in value added can be explained by differences in funding.

2. Having read through the explanation on pages 53-55 regarding building spending levels, it appears that, in the absence of actual spending amounts for each building, you had to estimate much of the building-level spending by proportionally assigning spending on a district-wide per-pupil basis. Is that right?

We started with data on the personnel assigned to each building, and the salaries paid to those personnel. Since education is such a labor intensive industry, that was the lion's share of the spending. Then we added in the non-personnel costs for each building (which we estimated as a per-pupil share of district non-personnel expenditures) and the central administration costs (which were also proportionally assigned).

3. Regarding your statement that efficiency "...is measured relative to observed best practice..." is that your observation in Kansas or somewhere else?

Best practice in this context means best practice among the Kansas schools and districts under study.

4. Regarding your statement that observed best practice can fall short of a theoretical idea...is it fair to say that such measurement is merely relative to the performance of other observations and doesn't necessarily mean that any of the observations are truly operating at a potential (or theoretical) level of efficiency?

Yes, I think that is fair to say.

Sorry if my questions are a bit obtuse...I'm trying to distill this to a level I can explain and non-statisticians can follow.

Best,

Dave

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From: Taylor, Lori L. _____
Sent: Sunday, October 28, 2018 3:34 PM
To: Dave Trabert _____
Cc: Jason Willis _____
Subject: RE: Proficient in Kansas

Dear Dr. Trabert-

Thank you for your interest in our work. The text you reference below describes the relative efficiency of Kansas school buildings, indicating that they were producing nearly 96% of the output that would be expected if they were operating efficiently, given their demographics and resources. Of course, if they had access to more resources our model indicates that would be able to produce even higher levels of performance. So... to answer your questions.

- 1.) Output is measured as conditional normal curve equivalent test scores and graduation rates (i.e. the performance metrics used in the cost function model). We then estimated the cost function relationship between expenditures, outputs, input prices, student demographics, school size, and district size using a technique (stochastic frontier analysis) that allows for both one and two-sided errors. One output of SFA estimation is a measure of cost efficiency, which measures the extent to which outputs could be expanded proportionally without any increase in expenditures, or, turning it around, the extent to which expenditures could be reduced without any decrease in measured performance. This cost efficiency measure is the source for the sentence you cited.
- 2.) We did not calculate potential output, per se. We calculated cost efficiency, which is easiest to understand using the potential output interpretation.
- 3.) Yes, one of the first steps in our analysis was to calculate building level spending. Please see the discussion on pages 53-55 of our report.

Please note that efficiency in this context is measured relative to observed best practice, and even best practice can fall should of a theoretical ideal.

Hope this helps.

Regards,

Lori L. Taylor
Professor and Head, Department of Public Service and Administration
Joe R. and Teresa Lozano Long Chair in Business and Government
Director, Mosbacher Institute for Trade, Economics, and Public Policy
Bush School of Government and Public Service
4220 TAMU
College Station, TX 77843



From: Dave Trabert _____
Sent: Sunday, October 28, 2018 11:00 AM
To: Taylor, Lori L. _____
Subject: Proficient in Kansas

Dr. Taylor,

The WestEd study on Kansas funding included this statement. "...buildings were producing nearly 96 percent of their potential output, on average." I'm like to understand your basis for that statement and have a few questions.

1. How do you define 'potential output'? (state assessment scores, high school graduation rate, etc.)
2. How did you calculate 'potential output'? I'd like to see the actual calculations.
3. Do you have building-level spending data against which to compare potential building output?

Thanks for your consideration.

Best,

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