



The Maryland Public Policy Institute

AN ANALYSIS OF
THE KIRWAN
COMMISSION
RECOMMENDATIONS



The Maryland Public Policy Institute

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One Research Court, Suite 450
Rockville, Maryland 20850
240.686.3510
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AN ANALYSIS OF THE KIRWAN COMMISSION RECOMMENDATIONS

INTRODUCTION

From 1998 to 2014, Maryland public schools increased spending on operating expenses by \$6.47 billion—an increase of \$3.8 billion in inflation-adjusted dollars. If the state follows the recommendations presented by the Kirwan Commission, a statewide panel that is reevaluating Maryland public school funding, taxpayers can expect to see education spending continue to increase at a rapid rate in the years to come.

The commission has called for an expansion of pre-K programs, increased teacher pay, more rigorous certification requirements for teachers (including pre-K teachers), and a series of other reforms and initiatives. The exact cost of the commission's recommendations is unknown at the moment, but will likely require billions more in funding for Maryland's public schools.

The Maryland legislature established the Commission on Innovation and Excellence in Education in 2016. The Commission, comprised of 25 individuals appointed by various policymakers and education organizations, is also called the Kirwan Commission in recognition of commission chair William E. (Brit) Kirwan, who was chosen by the governor, senate president, and house speaker. Other members of the committee include Chester Finn, appointed by the president of the state board of education, and Elizabeth Ysla Leight, appointed by the Maryland PTA.¹

Lawmakers established the commission for two reasons. First was to “review the findings of the Study on Adequacy of Funding for Education in the State of Maryland.”² In 2000 and 2001, Augenblick, Palaich and Associates conducted an adequacy study for the state. The report provided suggestions for revising the state's funding system. Following the release of the report, the legislature passed the Bridge to Excellence in Public Schools Act 2002. That legislation led to a new funding formula and a significant increase in education funding.

The act also called for a follow-up study to be conducted approximately 10 years after the act was established.³ The follow-up study, also conducted by Augenblick, Palaich and Associates, was released in 2016. The Study on Adequacy report called for an increase of \$2.9 billion in state and local dollars—a 29

TABLE 1 COMPARISON OF 2015 PER PUPIL REVENUE, NOMINAL AND COST-ADJUSTED

STATE/DISTRICT	NOMINAL REVENUE PER PUPIL	RANKING BASED ON NOMINAL REVENUE PER PUPIL	RANKING BASED ON COST-ADJUSTED REVENUE PER PUPIL
DISTRICT OF COLUMBIA	\$26,487	1	1
NEW YORK	\$21,317	2	3
NEW JERSEY	\$19,188	3	2
CONNECTICUT	\$17,477	4	6
VERMONT	\$17,087	5	5
ALASKA	\$15,885	6	10
WYOMING	\$15,638	7	4
MASSACHUSETTS	\$15,529	8	17
PENNSYLVANIA	\$14,886	9	7
MARYLAND	\$14,744	10	8

percent increase in funding. It also called for various adjustments in the state’s funding formula.⁴

The second task of the commission was to “provide recommendations on preparing students in the state to meet the challenges of a changing global economy, to meet the state’s workforce needs, to be prepared for postsecondary education and the workforce, and to be successful citizens in the 21st century.”⁵ To date, the work of the commission has fallen mostly in this second category. In January 2018, the commission released a preliminary report calling on the state to develop initiatives in five key areas:

- Early childhood education
- High-quality teachers and leaders
- College and career readiness pathways
- More resources for at-risk students
- Governance and accountability

The report did not call for a specific level of funding, but given the policies recommended in the report, the cost will be substantial.

The Commission’s report suggests that if Maryland were to adopt the policies outlined in the commission’s report, such as expanded pre-K programs and increased learning standards, the state’s educational achievement would rise to the levels of both Massachusetts and top-performing countries.⁶ Unfortunately, the report provides few, if any, citations of the actual efficacy of these suggestions. Given the scope of the recommendations in the report and the immense cost that is sure

to follow, it is important to examine these suggestions with a critical eye.

First, this report examines current trends in spending and their impact on policy decisions, showing how Maryland compares with other states in the nation in terms of spending. The focus will be on trends in inflation-adjusted dollars. Next, we examine some of the Kirwan Commission’s recommendations. Because of the breadth of the recommendations, which range from birth through college, we will not address each one. Rather, we summarize the major points of each section and offer clarity and questions on specific recommendations. After this, we offer some suggestions that the Commission appears to not have considered. These recommendations include policies that may help achieve the same goals, but at reduced cost or more educational freedom for students or educators.

SPENDING IN MARYLAND

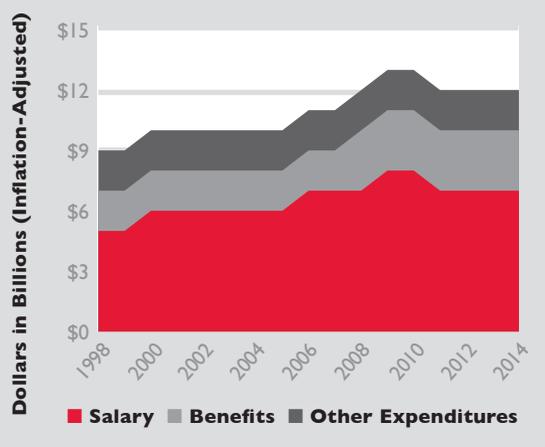
Before considering additional spending or new programs, it is important to first understand the context of school funding in Maryland. This section offers some comparisons of Maryland to other states and examines some historical trends in spending within the state. This will allow the reader to examine the proposals of the Kirwan Commission with an understanding of Maryland’s current spending situation and past trends. To begin, we compare Maryland’s per-pupil spending to other states.

EdBuild, a school finance organization focused on funding equity, reported in 2016 that 2014–15

TABLE 2 COMPARISON OF 2015 STARTING TEACHER SALARIES, NOMINAL AND COST-ADJUSTED

STATE/DISTRICT	NOMINAL STARTING TEACHER SALARY	RANKING BASED ON NOMINAL STARTING TEACHER SALARY	RANKING BASED ON COST-ADJUSTED STARTING TEACHER SALARY
DISTRICT OF COLUMBIA	\$51,539	1	9
NEW JERSEY	\$48,631	2	2
ALASKA	\$44,166	3	16
NEW YORK	\$43,839	4	30
WYOMING	\$43,269	5	1
MARYLAND	\$43,235	6	4
CONNECTICUT	\$42,924	7	32
PENNSYLVANIA	\$41,901	8	10
CALIFORNIA	\$41,259	9	34
HAWAII	\$41,027	10	42

FIGURE 1 CHANGE IN SPENDING IN 2014 INFLATION-ADJUSTED DOLLARS, 1998 TO 2014



revenues for Maryland public schools were \$14,744 per pupil,⁷ ranking the state 10th in the nation, behind the District of Columbia and eight other states. For perspective, a classroom of 20 students would generate more than \$295,000. For a class of 25 students, the figure is nearly \$370,000. Based on these figures, Maryland fares relatively well compared with the nation.

The ranking improves when cost of living is factored into the equation, bumping Maryland up to eighth place.⁸ As the Table 1 shows, states spending the most on public education tend to be in the northeastern part of the country, with two exceptions—Alaska and Wyoming. These states

benefit from plentiful natural reserves that have helped bolster state revenues.

Just as the state fares well in comparisons of spending on public education, starting teacher salaries also compare favorably with other states. In 2014–15 the average starting teacher’s salary in the state was \$43,235,⁹ putting the state sixth in the nation. Once again, Maryland moved up in the rankings when cost of living was factored into the analysis. EdBuild placed Maryland fourth in cost-adjusted starting teacher salaries, trailing only Wyoming, New Jersey, and Louisiana. Table 2 displays the states with the highest starting teacher salaries and their cost-adjusted rankings.

Trends in Spending

The National Center for Education Statistics collects state-level spending data. At the time of publication, NCES maintained Maryland data up to 2014. Using these data, we examine trends in Maryland spending. Maryland’s strong position in the rankings above can be explained in part by the steady increase in funding over a 10-year period starting in 1998. From 1998 to 2008, Maryland increased education spending an average of 3.8 percent each year in inflation-adjusted dollars (6.7 percent in current dollars).¹⁰

Following the great recession, large increases stopped. When adjusting for inflation, the state saw two years of decreases in funding followed small gains. Overall, inflation-adjusted funding has been flat since 2008.

FIGURE 2 INFLATION-ADJUSTED PERCENT CHANGE IN SALARY, BENEFITS, OPERATING EXPENDITURES, 1998 TO 2014

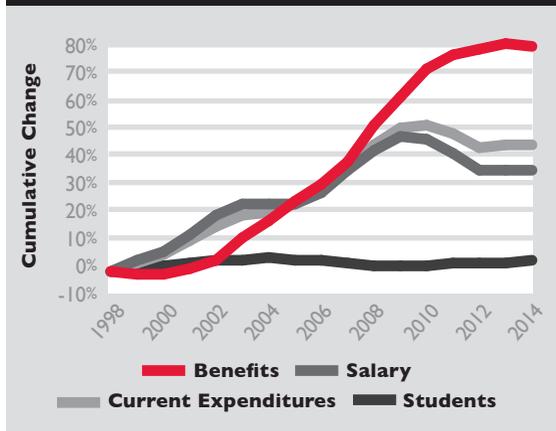


FIGURE 3 PERCENT OF OPERATING EXPENDITURES SPENT ON SALARY AND BENEFITS ANNUALLY, 1998 TO 2014

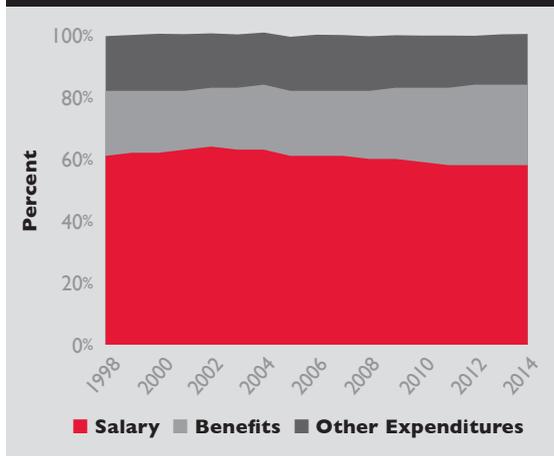


Figure 1 displays changes in operating expenditures over time.¹¹ Operating expenditures are used for operating expenses such as salaries, benefits, and educational supplies. They do not include money spent on facilities or debt servicing.¹² Two of the biggest pieces of a school’s operating expenses are salary and benefits for workers. As such, Figure 1 shows how much of operating expenditures are spent on each of these categories.¹³ We have adjusted all the previous years’ spending figures to account for inflation. The resulting figure shows spending each year in 2014- equivalent dollars.

Pension and Benefits Crowd Out Salary

Aside from the overall increases discussed previously, the increase in spending on benefits is significant. “Other expenditures” in Figure 1 refers to any other operating expense that is not included in salaries or benefits. Spending in Maryland far surpassed inflation in the pre-recessionary years, and after a slight dip, has remained relatively steady in recent years. From 1998 to 2014, Maryland increased spending on education by \$3.83 billion in inflation-adjusted dollars. This is an increase of roughly 45 percent during this period of time.

An important trend to note here is that benefits appear to be crowding out salaries. Indeed, from 1998 to 2014, Maryland saw a significant increase in the fraction of operating expenditures that were dedicated to benefits. During this period, total operating expenditures increased by 45 percent (inflation-adjusted) and expenditures on salaries

increased just 36 percent while expenditures on benefits increased 77 percent. Figure 2 shows the percent change in expenditures dedicated to benefits, salary, and total operating expenditures. It also includes the percent change in the number of students.

Figure 3 puts this into greater perspective. It shows the percentage of operating expenditures that were dedicated to salary and benefits in each year. In 1998, 61 percent of all operating expenditures went to salaries, while 21 percent was spent on benefits. In 2014, the amount spent on salary had decreased to 58 percent and that spent on benefits had increased to 26 percent. If the cost of benefits, such as pensions and health care, continues to increase, it may continue to have a substitutionary effect on teacher salaries by shifting compensation from salary to benefits. It may also decrease funding on non-personnel-related items, such as textbooks and supplies.

Some pension payments are not even going to fund the retirement for currently working teachers; they are going to pay down the debt owed to previous teachers. Public pension plans accumulate debt, known as the unfunded actuarial accrued liability. When employees or their employers make contributions to the pension system, a portion of their contributions go to pay down this debt. Bellwether Education Partners estimated that 71.1 percent of Maryland’s pension contributions are going toward pension debt.¹⁴ In other words, the increases in benefits as a percent of ex-

FIGURE 4 INFLATION-ADJUSTED PER-PUPIL EXPENDITURES

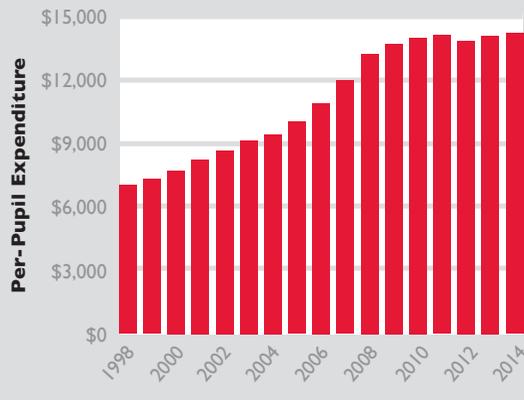
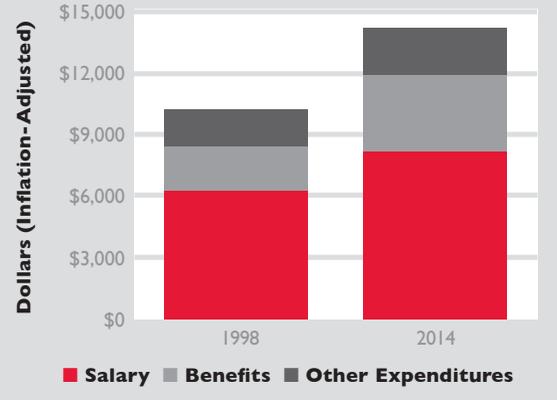


FIGURE 5 INFLATION-ADJUSTED PER-PUPIL EXPENDITURES



penditures are not going to improve pensions. The additional funds are going to pay down debt.

Increases in Non-Teaching Employees

With increases in spending of \$3.83 billion in inflation-adjusted dollars, we might expect that teacher salaries improved during this time period. However, that does not appear to be the case. Using a slightly longer timeframe, economist Benjamin Scafidi found that Maryland increased per-student spending in inflation-adjusted dollars by

...Maryland increased per-student spending in inflation-adjusted dollars by 45 percent from 1992 to 2014.

45 percent from 1992 to 2014.¹⁵ However, during this time, average teacher salaries decreased by 2 percent in inflation-adjusted dollars.

The benefits crowd-out noted above is part of the explanation for this. Another explanation is the continual increase in the number of teachers and other staff members. From 1992 to 2015, the pupil teacher ratio decreased from 16.9 to 14.8 as the total number of teachers increased by a substantial 36 percent during this time period. Yet, this was surpassed by a 60 percent increase in all other staff. In short, despite significantly increasing funding for public education, teacher salaries

have not seen commensurate increases. Pension and health care costs have been increasing and school districts have sought to decrease class sizes and hire more support staff. In other words, when given more money, schools have elected to not put the money into pay raises.

Per-Pupil Spending Over Time

Figure 4 shows per-pupil spending from 1998 to 2014 in inflation-adjusted dollars. Similar to the overall picture on operating expenses, we see significant increases following 1998 and then a leveling off after the recession. In 2014, the state spent an average of \$14,217 per pupil.

Next, Figure 5 highlights just 1998 and 2014. The two bar charts illustrate the increase in inflation-adjusted spending during this time period, and how much money is being spent entirely on benefits. In 2014, Maryland spent \$3,709 per student on the benefits of teachers, principals, and staff. That is almost the amount spent in 1998 on benefits and other expenditures.

THE KIRWAN COMMISSION ON INNOVATION AND EXCELLENCE IN EDUCATION

Now that we understand the financial context of Maryland education spending, we shift to considering the recommendations of the Kirwan Commission. The commissions are in five broad areas: early childhood education, high-quality teachers and leaders, college and career readiness pathways, more resources for at-risk students, and governance and accountability. In each of these ar-

eas, the commission offers numerous recommendations. Some recommendations are substantial, others small. Some recommendations are detailed, others not. Here, we examine some of the more prominent recommendations in each area.

The Recommendations

Early Childhood Education

The commission recognizes that “Maryland is widely regarded as a leader in early childhood education in the United States.”¹⁶ Nevertheless, the commission believes the state must do a lot more. Their first major recommendation in this area is to expand the “early childhood education program so that all 4-year-olds, regardless of income, have the opportunity to enroll in a full-day program.” Four-year-olds from homes earning below 300 percent of the federal poverty line would receive pre-kindergarten services at no cost, while “higher-income families would be expected to pay a portion of the cost.”¹⁷ In addition, the state would provide access to full-day early childhood programs for 3-year-olds from low-income families.

The commission says this could be accomplished via public and private providers. However, all providers would be heavily regulated by the state. The state would set internationally benchmarked standards for the state’s 3 and 4-year-olds that must be followed in all pre-kindergarten settings. Moreover, the commission suggests the adoption of a statewide testing system for students entering kindergarten.

To help teachers implement the new pre-K standards, the state would create staffing and professional development systems. The commission recognizes that essentially adding a grade level to the public education system will require substantially more certified pre-K teachers. Indeed, the commission calls for all pre-K teachers to be certified. This may preclude many preschools from participating in the state system.

Maryland already has some pre-K programs. To date, no studies have assessed their impact.¹⁸ Moreover, the commission’s report does not mention any analysis that has shown the current service gap. That is, many Maryland families currently enroll their children in pre-K programs, either by paying tuition themselves or by participating in existing public programs. Other families may not desire to enroll their children in pre-K, preferring to keep their children at home with a stay-at-home parent.

We do not know the percentage of families that want pre-K services but are unable to attain the services for their children. This trend, of course, is different from the percentage of families that prefer a free public pre-K option. Without knowing this information, the state cannot know the magnitude of the problem it is attempting to solve. It is likely that a universal program, as described in the commission’s report, would greatly increase the size of government and diminish civil society while costing taxpayers billions.

While the body of research on pre-K suggests that high-quality programs can have substantial benefits for students, there are reasons for caution

Very few policy prescriptions are slam dunks, even those that seem to have good research behind them.

before the state implements such a costly strategy. In Tennessee, for example, the state implemented a large scale pre-K program. Researchers conducted a rigorous randomized-control trial to evaluate the impact of the program.¹⁹ While students who attended the pre-K program exhibited early learning gains, the control group consisted of students who did not attend pre-K surpassed the treatment group by second and third grades. This evidence should give policymakers pause before implementing a large-scale program.

Policymakers would be wise to consider the words of caution offered by Grover “Russ” Whitehurst of the Brookings Institution before implementing a universal pre-K program:

Don’t place big and irrevocable bets on conclusions and recommendations that are far out in front of what a careful reading of the underlying evidence can support. Very few policy prescriptions are slam dunks, even those that seem to have good research behind them. In the early education and care of children, just as in the rest of social policy, we need to be a learning society, prepared to try new approaches to address pressing problems and to learn

systematically from trial and error in their implementation.²⁰

Once a universal program of the type mentioned in the commission's report is created, removing it or changing it will be incredibly challenging. A wise initial step would be to conduct a needs analysis of the current service gap and evaluate the quality of the programs currently in place.

While the commission's recommendations on pre-K are bold, they are just a sampling of recommendations that call for more state involvement in the lives of young children. In addition to pre-K, the commission suggests, families need "free medical care, paid family leave, and free or heavily subsidized child care."²¹ Moreover, "In many other countries they also include subsidized housing, parental 'allowances' and baby 'bonuses,' and other financial support."²² Interestingly, although the commission recognizes these recommendations "may not be explicitly part of its charge," they do not fail to offer them anyway.²³ This should give some hint to the scope and reach of the policies recommended by the commission.

High-Quality Teachers and Leaders

Most scholars recognize that teacher qualification in the classroom is the most important in-school factor impacting student learning. The commission recognizes this and therefore is concerned about the quality of individuals entering the profession in Maryland: "The academic record of the high school students going into teacher education at UMCP [University of Maryland, College Park] are among the lowest of those going into any professional preparation program."²⁴

Unfortunately, this is not just true in Maryland. Teachers tend to score lower on standardized tests than almost every other major. In 2014, the national average for the SAT was 1497. For test takers who indicated their major would be education, it was just 1438.²⁵ The question is, how do we change this?

Test scores and performance in the classroom are not perfectly correlated.²⁶ Studies have consistently found a positive relationship between tests and the ability to increase student achievement, but the correlation can be rather weak. Some people who score relatively low on tests, such as the ACT or SAT, can be more effective as teachers than others who scored higher. As a result, it is imprac-

tical to simply refer to test scores as a sole proxy for teacher quality.

Here, when we refer to teacher quality, we are talking about a teacher's ability in the classroom. There are only three ways a school can improve the overall quality of teachers—hiring, professional development, and firing. The commission leans heavily on front-end policies. The commissioners want to "mandate that universities improve the quality and rigor of their teacher preparation programs at both the undergraduate and graduate levels."²⁷ Moreover, the commission says it will hold them accountable for doing so, although, it doesn't say exactly how.

The recommendations here are contradictory. The commission calls both for higher quality, as measured by test scores and similar metrics, and more diversity. There is just one problem with this—these goals are at odds. There is a substantial achievement gap between white and underrepresented minorities in the United States. If a state were to increase the rigor of its licensure exams, this may increase overall quality but at the expense of minority teachers.²⁸ This approach would also likely create a teacher shortage problem.

While it is not inappropriate to consider these front-end policies, Maryland would be much

Studies have consistently found a positive relationship between tests and the ability to increase student achievement, but the correlation can be rather weak.

wiser to consider policies that will help improve teacher development and policies that would remove ineffective teachers from the classroom. The commission's report emphasizes improving professional development, but fails to address tenure and dismissal of low-performing teachers. Economist Eric Hanushek has shown that removing the bottom five to eight percent of teachers and replacing them with a teacher of average quality would help the United States rise to the level of the top countries in math and science.²⁹

Interestingly, the commission’s report attacks alternative certification programs. Policymakers should understand the following regarding alternative teacher certification programs. First, they help address teacher shortages. Second, alternatively certified teachers regularly score higher on standardized tests.³⁰ Third, alternatively certified teachers typically perform on par with traditionally trained teachers.³¹ It is clear that these types of programs attract people who may not have been interested in earning a traditional teaching degree. These programs serve a useful purpose and should not be jettisoned so easily.³²

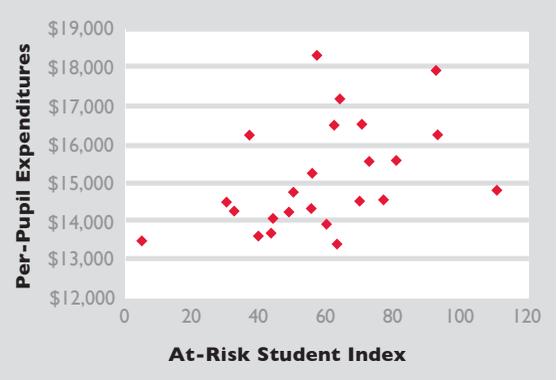
College and Career Readiness Pathways

One of the strongest and most prevalent recommendations throughout the commission’s report is the idea of benchmarking Maryland’s education system to internationally benchmarked standards. Keep in mind that Maryland adopted what it considered to be rigorous standards in recent years. Moreover, a recent analysis of Maryland’s assessment system, which is based on the standards, suggested that Maryland has the third highest proficiency standard in the country.³³ Nevertheless, the commission wants even tougher standards, writing, “Such systems enable their students to emerge from high school two to three years ahead of where Maryland’s typical student is at present and ready for both demanding college-level work and no-less-demanding technologically-demanding careers.”³⁴

We all want high standards for students, but this standards-based system of improvement is the same we have seen since the 1990s. Maryland first implemented “consequential accountability” in 1999.³⁵ This was the first year the state attached stakes to student performance on standardized exams. The logic behind this is clear. By setting high standards and backwards-mapping down to the earliest grades, and assessing performance, we can ensure that all children will receive a world-class education. Unfortunately, this strategy was not very successful. According to the commission:

The most recent data from 2017 shows that just under half (49.3 percent) of students taking the English 10 exam received a proficient score (4 or 5) indicating college and career readiness. Further, there are racial and socioeconomic gaps in student perfor-

FIGURE 6 SCATTERPLOT OF PER-PUPIL EXPENDITURES AND AT-RISK STUDENT INDEX



mance. For example, while 67.5 percent of white students and 77.5 percent of Asian students were proficient, only 29.0 percent of African American students and 34.3 percent of Hispanic students were proficient.³⁶

Despite years of maintaining, and increasing, standards, Maryland students continually fall short of the benchmark:

Maryland was among the first states to develop the Maryland College and Career Ready Standards built on the Common Core State Standards that are measured by the Partnership for Assessment of Readiness for College and Careers (PARCC) tests aligned with the standards. Students are currently expected to reach the Maryland College and Career Ready standard by the end of their junior year, although only about 40 percent of high school students have so far done so.³⁷

Decades of experience should tell us that simply implanting a new set of standards would not yield substantially different results.

More Resources for At-Risk Students

The commission’s report calls for more money for at-risk students. This is not a bad idea. Disadvantaged students clearly have more needs than their more affluent peers. The concern is how this looks in practice. The report recognizes that “Maryland has the highest weight in the country for low-in-

come students in its funding formula,³⁸ yet suggests the state's system is still regressive. This simply does not appear to be the case. Figure 6 plots the state-calculated "At-Risk Student Index" and per-pupil expenditures for each school district.³⁹ There is a clear, positive relationship between the two. This implies that at-risk students in Maryland tend to receive more funding.

Governance and Accountability

The overarching premise permeates the commission's report is that the education bureaucracy in Maryland must grow. Nearly every area calls for a new office of oversight, a new commission, a new task force, or some new entity to measure and monitor the performance of preschools, public schools, and colleges of education. The model presented in the commission's report is one of top-down rules and regulation. The commission suggests the state should create syllabi for each course and lesson plans for teachers. The state should oversee professional development, curriculum adoption, and testing. This type of system will greatly diminish any freedom that teachers have in the classroom and greatly homogenize all of the schools in the state. It also has potential to negatively impact the state's ability to attract teachers.

OTHER IDEAS TO CONSIDER

The cost to implement and comply with the recommendations of the Kirwan Commission will be exorbitant. Some policies will reduce student and teacher freedom and many will simply not work as intended. Below are some alternatives. These are practical solutions intended to address some of the problems listed in the commission's report.

Increasing Teacher Pay

The commission called for an increase in teacher pay and the development of a career ladder that would further allow teachers to increase their pay. In theory, a career ladder, which allows teachers to develop and take on greater responsibilities, sounds like a good idea, but in practice it will likely fail to make the intended impact on student achievement. School administrators notoriously give teachers high ratings.⁴⁰ In states that have implemented teacher evaluation programs, the vast majority of teachers gain high marks. In an analysis of 24 states, most rate less than 1 percent of teachers as unsatisfactory.⁴¹ It seems unlikely

that a career ladder program, with salary implications, would fare much better.

Still, policymakers and school officials can adopt other approaches to increase teacher pay. First, schools should attempt to maintain current staffing levels. As we have seen in the past two decades, the bulk of increased funding has gone to hiring additional teachers and staff. If schools attempt to increase efficiency, by holding class sizes steady or reducing duplicative staff and administration, they could funnel more resources to teacher salaries.

Second, the state should examine opportunities to reform the benefit structure of public educators. Rising pension costs mean more operating expenses are going to pay for the retirement benefits of people already out of the classroom. As previously stated, 71.1 percent of pension contributions go to pay down debt.⁴² If this issue is not addressed, it is likely that pension costs and health care costs will continue to consume more of the operating budget.

This leaves less for teacher salaries. While benefits are incredibly important, up-front pay is typi-

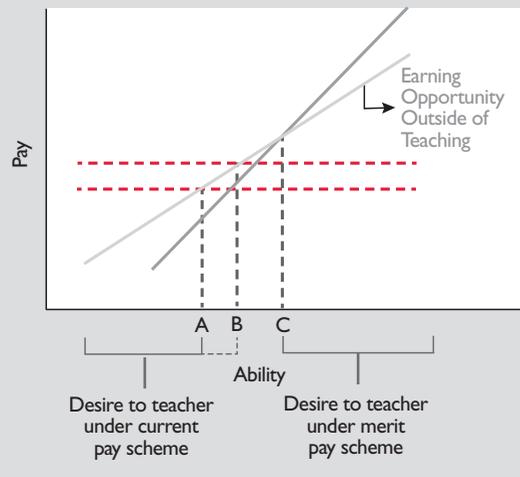
In states that have implemented teacher evaluation programs, the vast majority of teachers gain high marks.

cally of higher value to workers.⁴³ This means the state may be able to attract and retain more teachers by shifting compensation from benefits to salary.

Increasing Teacher Quality and High-Need Teachers

The proposed solutions in the commission's report would make teacher certification more challenging, but raising the bar is not an automatic path to improving the profession.⁴⁴ Increased requirements also increase teacher shortages and have a minimal impact on teacher quality. A more effective strategy is to remove ineffective teachers. Unfortunately, tenure and other protections make this difficult. Policymakers should provide more support to administrators in this regard.

FIGURE 7 COMPARING THE IMPACT OF BLANKET TEACHER PAY INCREASES AND PERFORMANCE PAY ON TEACHER QUALITY⁴⁶



At the same time, policymakers and school administrators should begin implementing market-based pay, versus merit pay, which pays based on performance, although performance could be considered. Market-based pay allows teachers to earn more money by teaching in high-need subject areas or high-need schools, or by being a highly effective teacher. Currently, most districts pay physics teachers on the same pay scale as elementary school teachers. Yet, an opening for a physics position may get a handful of applicants and the elementary position hundreds. And, the market demands a higher salary for physics teachers.

The same can be said about highly effective teachers. In most professions, including higher education, when a desirable worker gets an offer for another job, their current employer will make a counter-offer. This is not the case in education. Schools make few attempts to keep highly effective teachers.⁴⁵ If we want to attract and retain highly qualified individuals to the teaching profession, we have to create a market for their talent. As long as teachers are paid on a step-and-lane salary schedule, the system will continue to struggle in this area.

The figure below helps explain how market-based pay and merit-pay would help improve the quality of the teacher work force. The blue line indicates that individuals with higher ability tend to earn more money outside of teaching. The solid red line represents the current step-and-lane pay

schedule that pays all teachers the same amount. Under this system, all individuals to the left of Point A would desire teaching, while those to the right would prefer not to teach. In other words, the current system of pay helps us attract individuals from the lower end of the ability spectrum as the commission has noted.

If pay is increased (red dashed line) the number of individuals who would prefer teaching increases (Point B), but the individuals are still drawn from the lower portion of the distribution. The green line represents a system that pays people based on their ability. This type of system has the ability to attract higher skilled workers into the profession and to discourage lower-skilled workers from entering the profession. In short, a merit-based pay system could help increase teacher quality more than blanket pay raises.

Innovation in Education

While the Kirwan Commission’s full title included the word “innovation,” little about the recommended policies was innovative. Rather, they would create a bureaucratic top-down system that regulates everything from teacher training through pre-school. It is hard for innovation, creation, or entrepreneurial spirit to flourish in this type of environment. Instead, policymakers should consider a different direction that increases educational options for all children.

Nobel-winning economist Milton Friedman said, “A society that puts equality before freedom will get neither. A society that puts freedom before equality will get a high degree of both.” Maryland has a tremendous opportunity here. The state can double down on standards-based accountability, increased spending, and top-down control, or begin to allow freedom into public education through market-based approaches such as school choice and market-based pay. Innovation comes through choice and competition, not from standards and tests. Accountability comes when parents vote with their feet on the school that meets their needs, not from arbitrary accountability systems. Job satisfaction for teachers comes from having the freedom to determine the mission and vision in their schools, not a prescribed career-ladder program.

CONCLUSION

In 2002, the Maryland General assembly enacted the Bridge to Excellence in Public Schools Act.

That legislation led to an increase of \$1.3 billion in state aid for public schools in the Old Line State. When coupled with additional state funding, the increases amounted to approximately \$3.6 billion. The Kirwan Commission suggests the additional funding appeared to be working, citing Maryland's top ranking in the Quality Counts rankings for five years in a row.

Yet by the commission's own admission, student achievement in the state is average, "Despite Maryland's investment in pre-K-12 education and the modest progress that has been made, Mary-

Accountability comes when parents vote with their feet on the school that meets their needs, not from arbitrary accountability systems.

land's pre-K-12 system is average at best within the U.S."⁴⁷ In other words, a \$1.3 billion investment has barely made a splash when it comes to improving student outcomes.

Most people would look at these results and conclude that spending more money in the current education system has minimal results, at best, and is a colossal waste of resources at worst. Even the commission alluded to this fact when it said,

Above a certain funding level, *how* the money is spent is at least as important as how much is spent. If that is true, then Maryland must find a way to hold the schools and districts accountable for spending the money in a way that is highly likely to produce the expected result in student performance.⁴⁸

Nevertheless, the commission goes on to offer recommendations for a slew of new programs and initiatives that will cost Maryland taxpayers billions more. The suggestions do not offer systemic change, but aim to repeat failed policies of the past. They are not innovative, nor do they require school districts to reallocate funds.

Public funding for education must come from increased taxes, whether through increased rates

or a more productive economy, or from cuts to other programs. Before marching forward with the commission's suggestions, which will cost untold billions, Maryland policymakers should fully consider the costs and the alternatives.

JAMES V. SHULS is an assistant professor and the graduate program director of educational leadership and policy studies at the University of Missouri, St. Louis. He earned his Ph.D. in education policy from the University of Arkansas. He also holds a bachelor's degree from Missouri Southern State University and a master's degree from Missouri State University, both in elementary education. Prior to joining UMSL, he served as the director of education policy for the Show-Me Institute, where he is currently a distinguished fellow of education policy. Previously, he taught first grade and fifth grade in the Republic, MO R-III School District.

Dr. Shuls' research focuses primarily on teacher labor markets, school finance, and school choice. He has served as an expert witness in the school finance case *Martinez/Yazzie v. New Mexico*. His research has been published in various scholarly journals such as *Social Science Quarterly*, *The Rural Educator*, *Educational Policy*, *the Journal of Education Finance*, and *the Journal of School Choice: International Research and Reform*, where he serves on the editorial board.

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