Under Pressure: Job Security, Resource Allocation, and Productivity in Schools under NCLB

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Abstract

The No Child Left Behind Act (NCLB) requires states within the U.S. to administer standardized exams and to punish schools who do not meet Adequate Yearly Progress (AYP) targets for the fraction of students passing these exams. In theory, schools on the margin for meeting AYP face strong short-term incentives to increase students’ pass rates on specific exams, and may change their behavior accordingly. We combine existing data with information from new sources to create a comprehensive, national, school-level data set concerning schools’ AYP status, student population characteristics, and student test score performance. Next, we use pre-NCLB test score performance and school characteristics to predict which schools were near the margin for failing to meet their state’s AYP standards for math and reading. Variance in state policies creates numerous cases where schools near the margin for satisfying their own state’s AYP requirements would have almost certainly failed or almost certainly passed AYP if they were located in other states. We examine the impact of NCLB incentives by comparing differences in outcomes for schools on the margin and not on the margin within the same state with differences in outcomes for similar schools in other states where neither school is on the margin. Using nationally representative data, we first confirm that our predictions of schools’ probabilities of passing AYP align well with teachers’ reported concerns about accountability pressure. Teachers are especially likely to be concerned that student test performance may affect their job security if they teach in a high-stakes grade at a school that we classify as on the margin for passing AYP. Next, we examine whether this short-term accountability pressure affects student outcomes, schools’ allocation of resources, and teachers’ instructional strategies. Our preliminary results suggest that accountability pressure positively affects mean student test scores on low-stakes exams but has only modest average effects on resource allocation.