

## Making the Grade: School Report Cards and League Tables

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EXECUTIVE SUMMARY

No. 103 • 20 November 2008

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- The Australian government has announced its intention to make more information about schools available to the public. The education minister, Julia Gillard, has been impressed with the model of school performance reporting recently introduced in New York City and is touting it as a possible model for Australia to adopt.
- In the New York City system, the Department of Education gives all schools an annual report card with information and statistics on a range of measures, including academic performance. Each school is compared to all schools in the city and to a group of 'like schools' with similar demographic characteristics.
- The most contentious aspect of the school report cards is the awarding of an overall letter grade of *A*, *B*, *C*, *D* or *F* to each school. Schools that persistently receive failing grades face strong sanctions, including closure. Initial research indicates that schools given *F* and *D* grades improved their performance substantially in the following year.
- A similar scheme in Florida, the A+ Accountability Plan, has had great success. Studies have found that schools receiving *F* grades made bigger improvements in scores than other schools in subsequent years. Since report cards were introduced in 1999, Florida's test score gains have by far exceeded the national average, and the biggest gains were for minority groups.
- A key aspect of the Florida system is that it combines accountability with parental choice. Students in failing schools are given the option to attend a better-performing school.
- The incentives component of any school reporting model must be carefully considered. Rather than state sanctions, the best approach is a combination of top-down and bottom-up accountability, which involves the government setting standards and parents and the public apportioning the consequences for failing to meet or exceeding standards. Parental choice is the major component of this.
- Critics of school performance reporting often raise the spectre of league tables, and the potential for low-performing schools and their students to be stigmatised. This argument really says that students in low-performing schools will be fine as long as no one knows they are not getting a good education. League tables do not make or break the case for publishing good information about schools.
- There are various factors that influence test results that are beyond the control of schools. But there are ways to provide information that is sensitive to schools' varying circumstances.
- Australia is in an enviable position. It can learn from the mistakes other countries have made and create a school reporting system that is as fair and meaningful as possible.

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# Making the Grade: School Report Cards and League Tables

## Introduction

Earlier this year, the deputy prime minister and federal education minister, Julia Gillard, signalled her interest in making more information about school performance available to the public. Gillard's subsequent trip to New York City, where a school rating scheme has recently been introduced, transformed her interest into intention, reigniting the debate over public accountability for schools and sparking a new round of fear-mongering about the prospect of school league tables.

The process of introducing school ratings has in fact already begun. Commencement of a national testing regime this year laid the foundations of a school reporting program that would allow comparisons between schools. A new national authority, the Australian Curriculum, Assessment and Reporting Authority, will be responsible for developing and implementing the new national curriculum, conducting national tests, and reporting on the results. The new authority will be independently governed by a board of directors and, according to Julia Gillard, 'introduces a new era of transparency and quality in Australian schools.'<sup>1</sup>

In the past decade, the Centre for Independent Studies has published several papers advocating more public accountability for schools. In 2003, *Schools in the Spotlight* set out in detail the case for school performance reporting.<sup>2</sup> Five years later, and with the impending visit to Australia of Joel Klein, New York City schools chancellor and champion of school accountability, it is worth revisiting the issue and updating the evidence.

## School performance reporting models

New York City introduced its school rating program two years ago, with the first school report cards published for the 2006–2007 school year. In the program, every school is given a report card by the Department of Education. This contains information and statistics on a range of measures including attendance, safety, graduation rates, test scores, and improvement on previous performance. On each measure, the school is compared to all schools in the city and to a group of 'like schools' with similar demographic characteristics.

The most contentious aspect of the school report cards is the awarding of a letter grade of *A*, *B*, *C*, *D* or *F* to each school. The letter grade is determined by calculating an overall score for the school, which is made up of three separate weighted scores — school environment (15%), student performance (25%), and student progress (60%).<sup>3</sup> Schools that get an *A* grade receive financial rewards in exchange for helping less successful schools. Schools that get *D* or *F* grades are subject to school improvement measures and ultimately face closure if their performance does not improve.

New York City schools chancellor Joel Klein says the school ratings have already generated improvements in academic outcomes because the schools 'got excited and concerned about performing better.'<sup>4</sup>

A study of the impact of the report cards reported that schools given an *F* or *D* grade at the start of the first year significantly increased student achievement in maths by the end of the year. Schools given an *F* grade also increased student achievement in English.<sup>5</sup>

A second study indicates that although improvements in performance overall have been moderate, there is no evidence of any negative effects. Marcus Winters, a senior fellow at the Manhattan Institute, found that schools that had been given an *F* or *D* grade made bigger improvements in maths than higher-graded schools in the following year, but did not improve more than other schools in English.<sup>6</sup>

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**A recent analysis found that student test scores in Florida have improved significantly since school report cards were introduced.**

As the program is quite new, it is likely that its effect on student and school performance is yet to be fully realised. Klein predicts that with time there will be a 'rising tide' of improved performance.

If the experience of school report cards in Florida is any indication, Klein has good reason to be optimistic. Florida's A+ Accountability Plan was introduced by then-governor Jeb Bush in 1999. Each year, each school is given a grade from *F* through to *A+*. The grade awarded depends on the school's performance on the Florida Comprehensive Assessment Test (FCAT) that year and improvements on previous FCAT results, and is weighted by the improvement of the lowest-performing students at each school. Schools and teachers improving markedly or performing well over a number of years receive financial rewards. Low-performing schools are initially assisted with extra resources, but students at schools that are awarded two *F* grades within a four-year period are eligible to transfer to a public school of their choice.<sup>7</sup> Initially, students in failing schools were also eligible for vouchers to attend a private school, but this option was overturned in the Florida Supreme Court in 2006.

An early study of Florida's accountability program in 2001 showed it had a positive impact on school performance. Jay P. Greene, a senior fellow at the Manhattan Institute, found that all schools improved over time, and that those schools facing the prospect of losing students if they received a second *F* grade in four years improved their test scores at twice the rate of other schools.<sup>8</sup> Research by Cecilia Rouse at the Urban Institute and Greg Forster of the Friedman Foundation also found that schools scoring an *F* grade made significant improvements in subsequent years. Rouse reports that schools undertook reforms like focusing on low-performing students, lengthening instruction time, and increasing resources available to teachers.<sup>9</sup>

A recent analysis by Dan Lips and Matthew Ladner at the Goldwater Institute found that student test scores in Florida have improved significantly since the report cards were introduced, and that the biggest gains have been made by minority students. In 1999, 53% of Florida fourth-graders achieved at the 'basic' level or better in the National Assessment of Educational Progress (NAEP). In 2007, 70% achieved 'basic' or better. The proportion of students achieving at 'advanced' level doubled. On average, Florida's NAEP test scores increased at much greater rates than the national average from 1999 to 2007. Average test scores of Hispanic and African American students rose so much that they now exceed the overall average of many American states.<sup>10</sup>

The report does not claim that this is due to the school report cards alone, as they were part of a suite of reforms introduced in Florida in the last decade, including more stringent graduation requirements, more school choice, intensive reading instruction, and alternative certification and merit pay for teachers. However, the authors suggest that the combination of public accountability and choice was a driving force.

The Australian government is not the only one that finds the concept of school report cards appealing. The UK government is also considering adopting the school report card system of publishing school performance information, and has announced it will set out its plans in a white paper early next year.<sup>11</sup>

The existing school reporting policy for English schools was introduced in the early 1990s to a mixed reception. Put simply, parents love it, schools hate it, and politicians and academics are divided. A wide range of information about individual schools is published on website of the Department for Children, Schools and Families.<sup>12</sup> The information includes results of literacy and numeracy tests, *A*-level and *O*-level results, 'contextual value-added' analyses that indicate student progress over time, demographic characteristics, and comparisons with local area and national averages. Each school is inspected by the Office for Standards in Education (Ofsted) every three years, and the inspection reports are published on the Ofsted website.<sup>13</sup>

As part of its campaign against school performance reporting, the Australian Education Union brought English professor of education Peter Mortimore to Australia. Mortimore believes the scheme should be scrapped. While in Australia, he admonished the Australian

government for considering introducing school performance reporting here, saying it is a 'macho' policy that has failed in England.<sup>14</sup> To support his argument, Mortimore points to England's less than impressive ranks in the OECD's Program for International Student Assessment (PISA). In reading, maths, and science, England's international rankings and mean scores have slipped significantly from 2000 to 2006.<sup>15</sup>

However, the results from a different international assessment, the Third International Maths and Science Study (TIMSS), tell a different story. From 1995 to 2003, England's rank among participating countries improved, especially in maths.<sup>16</sup>

There are substantial differences between PISA and TIMSS. PISA assesses reading, and mathematical and scientific 'literacy,' by testing problem-solving and the application of skills in the various domains. TIMSS assesses knowledge of the subject, and is much more focused on depth of curriculum and content. England's contrasting performance in PISA and TIMSS suggest that something else may be going on that is influencing the results. The 2007 TIMSS results are due to be released in December this year, and it will be interesting to see whether the trend is maintained.

Numerous other countries around the world provide school-level performance information to the public to varying degrees. The 2006 report on PISA looked at the characteristics of education systems in participating countries and their relationship to performance on the tests. It found that public reporting of school performance in external tests is associated with higher achievement. According to the report, students in schools that posted their results publicly performed significantly better than students in schools that did not. The association remained positive after the demographic and socioeconomic background of students and schools was accounted for.<sup>17</sup>

## League tables

Arguments against the public reporting of school-level results in tests and assessments generally rest on concerns about the creation of league tables. It is said that if performance data is made available, the media will publish rankings of schools that are unfair and damaging.

School performance reporting should not stand or fall on the existence of league tables. Statewide league tables might be interesting to education observers, but they are essentially meaningless to the vast majority of people.

Parents in the process of choosing a school for their child are not interested in which of a dozen academically or financially advantaged city schools is top of the rankings that year. They are interested in comparing the half dozen or so schools in their area. Furthermore, few parents would make such a big decision based on solely on a ranking, precisely because they recognise what many educationists seem to believe parents are incapable of understanding—each school and each child is different, and a single measure of performance does not fully represent a school's value.

Furthermore, there are ways to avoid the publication of league tables in newspapers and other media outlets. Since 2001, in New South Wales there has been a blanket ban on the publication of any statistics that allow schools to be compared on literacy and numeracy results. A new regulation introduced in 2007 extends this ban to all external assessments conducted in NSW schools.<sup>18</sup> It is entirely feasible that regulation could be amended so that it prevents the publication of tables that are misleading or unfair while still allowing public access to information about schools that is meaningful and useful.

Most of the angst about school performance reporting is not about naming the schools that perform well, but revealing the schools that do not. Students in low-performing schools might be stigmatised and the school's reputation may suffer. This argument holds no water. In essence it says that students in underperforming schools will be fine as long as nobody knows they are getting a poor education. It protects schools, and the people responsible for them, at the expense of the children and families they are meant to serve.

**Public reporting of school performance in external tests is associated with higher achievement.**

**If school performance is to improve, there must be incentives for good performance and penalties for poor performance.**

Arguably, students in low-performing schools have the most to gain. In the case of low-performing non-government schools, the incentives to do better are straightforward. These schools will have to convince parents that they should continue to pay fees for their child to attend the school. If they fail to do so, they will lose students and income. Parents who choose to ignore the information will do so voluntarily.

In the case of low-performing public schools, the situation is somewhat different. Since many students in public schools do not have the option of going to another school, the publication of school performance data is crucial. Departments of education already know which public schools are underachieving. These schools are allowed to underachieve year after year, and under-serve hundreds of children, with no redress. Public identification will put schools and the governments responsible for them in the spotlight, and force improvement in these schools through the weight of public pressure. This question must be asked: what is worse, short-term loss of face or long-term neglect? Some schools may go through some pain initially, but when 'problem schools' have been publicly identified in the past, students have ended up better off.<sup>19</sup>

### **The wider policy context**

Critics of school performance reporting say that other reforms are more important, particularly improving teacher quality. There is no doubt that getting the best possible teachers into schools is a top policy priority. But this does not preclude providing more public information about schools. Indeed, the two policies are complementary.

Public accountability for school performance is only a means to an end. It creates the impetus for schools and governments to concentrate their efforts and improve their performance on the things that really matter. To do this, they have to focus on the quality of teachers and teaching.

School performance reporting is one of a suite of reforms that is required. To be effective, the conditions must exist that allow schools to take any necessary action. First, schools must have more flexibility and autonomy. Holding schools accountable for their results while denying them the ability to make changes that respond to their students' needs is a recipe for failure. One of the most important areas in which schools need autonomy is in the employment of teachers. If schools have limited control over the most salient factor in their success, the composition of their teaching staff, they are at a strong disadvantage.

Following Victoria's lead, most states are moving toward giving schools more discretion in who they hire. This year, New South Wales made an important step towards local selection of teachers in public schools by relaxing the stranglehold of the centralised transfer scheme, and increasing the number of positions that schools could choose to fill by open advertisement. After only six months in operation, this staffing agreement is now at risk of being repealed if the new state education minister, Verity Firth, does not hold her ground against the industrial action of the NSW teachers' union.

Accountability cuts both ways. If school performance is to improve, there must be incentives for good performance and penalties for poor performance. There are two ways to approach accountability—top-down and bottom-up. Top-down accountability comes from education authorities and can take the form of financial rewards for high-performing schools and sanctions, to the extent of forced closure, for low-performing schools. This is the approach taken by New York City.

Bottom-up accountability comes from public pressure and freedom of choice in schooling. If funding for schools is student-centred and tied to enrolments, successful schools have more students and hence more money, while schools that fail to meet the needs and expectations of students and families will lose students and may become unviable.

The most persuasive case can be made for a combination of top-down setting of standards and bottom-up apportioning of consequences for failing to meet or exceeding those standards. Andrew Rotherham of Education Sector, a US think tank, writes that the 'coupling of bottom-up market pressures with the top-down standards in key academic

subjects is the most promising strategy.<sup>20</sup>

The success of the Florida reforms demonstrates the effectiveness of this approach. Greene's research on the Florida accountability program showed that schools with an *F* grade made greater yearly gains than schools with a *D* grade. Greene interprets this as showing that it was the real prospect of losing students through the voucher scheme that forced these schools to do better.<sup>21</sup> Forster also demonstrated the role that choice plays, finding that the removal of the private school choice option has somewhat dampened the effect of the accountability regime.<sup>22</sup>

## Conclusion

There are various factors that influence test results that are beyond the control of schools. But there are ways to provide information that is sensitive to schools' varying circumstances.

Care must be taken in the design of any school performance reporting program. Many governments have learned this lesson the hard way. At this point, Australia is in an enviable position. The Australian government could choose to implement a system of school report cards without the contentious overall letter grades. There is much to like about the New York and Florida systems, but that does not mean they have to be adopted wholesale. We can learn from the mistakes made in other countries and create a system of school performance reporting that is as meaningful and fair as possible.

Chief among these is value-added analysis of test results that indicates the progress of students over time. Value-added analysis takes into account the fact that schools will have students who start at different levels. Value-added analysis uses sophisticated statistical techniques to measure the growth in student learning given disparate baselines.

Contextual information is also important. Schools with large concentrations of children from disadvantaged homes, or large numbers of children for whom English is a second language, have a tougher job than other schools. This does not mean that they should be exempted from accountability requirements, but that their achievements should be viewed relative to the challenges they face. Comparisons of 'like schools'—schools with similar demographic characteristics—can reveal whether some schools are more successful than others with the same challenges and may be able to disseminate their strategies so more children might benefit.

However, it is vital not to overplay these 'progress' and 'context' factors, as it can lead to distortions in the way schools are portrayed. High-performing schools can be given a low grade because their students do not make as much progress as students starting from a lower baseline. The New York City system has exactly this flaw. For example, Brooklyn Heights PS 8 achieves high test scores, and is extremely popular, but was awarded an *F* grade this year because growth in scores was relatively low.<sup>23</sup> Clearly, this grade was not deserved and to suggest that the school should face state sanctions is ridiculous.

It is also crucial to get the incentives right. Rewards and consequences have to be very carefully considered. In New York, schools that repeatedly fail are threatened with either new management or closure, whether parents like it or not. In Florida, failing schools can lose students and funding. By contrast, under the Australian government plans, failing schools will get half a million dollars.<sup>24</sup> This policy may make school performance reporting more palatable to its opponents, but it could also be counterproductive.

No school performance reporting mechanism is perfect, but some are better than others. Despite the inevitable imperfections, good information about schools must be made available to the people who have the most at stake—parents and their children—and the sooner the better.

**Good information about schools must be made available to the people who have the most at stake—parents and their children.**

## Endnotes

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